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HEARINGS

BEFORE

A SELECT COMMITTEE OF THE HOUSE OF REPRESENTATIVES

COMPOSED OF

428

947

MESSRS. OLCOTT, LONGWORTH, HAWLEY,
HUMPHREYS, AND GARRETT

TO INVESTIGATE CERTAIN CHARGES UNDER HOUSE RESOLUTION 543

PART 34



WASHINGTON
GOVERNMENT PRINTING OFFICE
1910

O. H. R.
OCT 9 1912



resented in such further hearings. It is not my wish, and I am sure it would be the last wish of my clients in this matter, to shut out any possible testimony that might be adduced, and it is only under the belief that none can possibly be produced before this committee that I submit that these gentlemen ought to be considered as discharged from further obligation to attend the sessions of the committee.

(Discussion followed, which was not reported.)

The CHAIRMAN. The committee states that, although the committee is not ready to make any formal report, owing to the fact that it is impossible to entirely subdivide the several subjects which the committee is directed to investigate, the personal feeling of the members of the committee is that there is no evidence whatever of any corruption on the part of Congressman Steenerson, Congressman Küstermann, or any other Member of the House of Representatives.

Mr. WORTHINGTON. And I will add, as representing the Merchant Marine League, that, so far as the charge of corruption against those gentlemen is concerned, we concede that there is no evidence which tends to show it.

(Thereupon, at 1 o'clock p. m., the committee adjourned sine die.)

UNITED STATES CUSTOM-HOUSE,
New York, Monday, November 28, 1910.

The committee met pursuant to the call of the chairman at 2.30 o'clock p. m.

Present: Messrs. Olcott (chairman), Longworth, and Garrett.

The CHAIRMAN. It may be noted on the record that the committee is in session, in pursuance to the call of the chairman, by reason of the action that was taken at the last session in Washington, and that the chairman, Mr. Longworth, and Mr. Garrett are present. Mr. Hawley, of Oregon, has sent a telegram saying that he will be here to-morrow. Mr. Humphreys, of Mississippi, has sent a telegram saying that it will be impossible for him to attend at present, on account of ill health.

I will call Mr. George L. Norton.

TESTIMONY OF GEORGE L. NORTON.

George L. Norton, called as a witness by the committee, having been first duly sworn, testified as follows:

The CHAIRMAN. Will you please state your full name and your address and occupation?

Mr. NORTON. George L. Norton; 17 State street; editor and publisher of the Marine Journal.

The CHAIRMAN. And you are at present the publisher of the Marine Journal?

Mr. NORTON. Yes.

The CHAIRMAN. And you write editorials for that paper?

Mr. NORTON. Yes, sir.

The CHAIRMAN. I show you a copy of the Marine Journal, issue of April 9, 1910, and ask you whether you wrote the article entitled "The House investigation?"

Mr. NORTON. After examination, I think I did, but I will not be positive. My memory is not as good as it used to be.

(The article referred to was marked "Exhibit No. 130," and is as follows:)

EXHIBIT No. 130.

THE HOUSE INVESTIGATION WILL DOUBTLESS RESULT IN MAKING FRIENDS FOR THE OCEAN MAIL BILL.

The antisubsidy press, which is more or less subsidized by foreign steam-line patronage, is jubilant at the prospect of the House investigating committee through the Steenerson charges against the Merchant Marine League blocking all subsidy legislation for this session, as well as for the entire term of the present administration. Our esteemed contemporary and free-ship advocate, the New York Journal of Commerce, is extremely happy over the fact that a Middle West Congressman, elected on a protective platform, pledged to subvention legislation, has succeeded in accomplishing what he has been earnestly working for since taking his seat in the House—millions for western rivers and irrigation and nothing for American ships.

After this investigation brings out the fact that the so-called lobby in the interest of our ocean mail being carried and paid for in our own ships is insignificant in comparison to the lobby that is continually in evidence in Washington for the purpose of defeating any bill that would aid the merchant marine of the United States in the over-seas trade, the ocean mail bill, we predict, will pass the House with a rush. It is sincerely hoped that the instigator of this investigation may not be found on too intimate terms with the foreign ship lobby before the investigation is over. Elsewhere in this issue will be found an interesting article on this subject from a contemporary.

The CHAIRMAN. Will you look at a copy of the Marine Journal for July, 1909, and look at the editorial entitled "Encouraging" and state to me whether you wrote that article.

Mr. NORTON (after examination). I am not positive. My assistant may have written part of it and I have written part of it. I am not positive, but of course I am responsible for it—they are my views.

The CHAIRMAN. Those are your views expressed here?

Mr. NORTON. Yes, sir.

(The editorial referred to was marked "Exhibit No. 131," and is as follows:)

EXHIBIT No. 131.

ENCOURAGING—IT IS BELIEVED THAT THE CONGRESSIONAL INVESTIGATION WILL PROVE A BOOMERANG TO ITS INSTIGATORS.

If the Olcott investigating committee of Congress continues its work at this port during the recess, it will doubtless accomplish much more in the line of the obstructive methods used by foreign steamship representatives against American shipping in competition with them, as it is universally known that here at this great port all the schemes for greater foreign monopoly of ocean traffic are created and launched. The Washington investigation was simply a valuable preliminary to what can be brought out here if the probe is inserted deep enough by the committee which was created through the efforts of those congressional sympathizers with foreign lines through opposing subsidy to American shipping. The investigation thus far, however, has been of great value in calling the attention of the public to the foreign steamship corporation trust organizations at this port which was denied until a member of the trust was obliged, under the fire of the committee, to acknowledge the fact of its existence and the joint employment of a member of the staff of the Associated Press at Washington.

It was unfortunate that the Merchant Marine League attacked the honesty of some of the western Congressmen, as they are no doubt honest but strongly prejudiced through lack of correct information. That which they believe have been furnished them largely through those interested in the success of foreign shipping against that of American. The result so far, if no further investigation is held or more convincing facts brought out, will be that Congress

next December will adopt the Humphrey resolution demanding an investigation of these foreign combines. In the meantime, with Senator Ballinger's ocean mail bill as unfinished business, those in a position to judge fairly are of the opinion that at least one ocean mail bill will become a part of the administration's program which became so great a power the few remaining days of the recent Congress. The votes are assured in the Senate and the leaders in the House believe they can secure a sufficient number to warrant its success, and as a consequence the investigation committee will have proved a boomerang to its instigators.

The CHAIRMAN. Now, will you look at this slip that I hand you, which is headed "From the Marine Journal, ———, 1910. That Merchant Marine League investigation," and tell me whether you know anything about that article?

Mr. NORTON (after investigation). I think I wrote that.

(The article referred to was marked "Exhibit 132," and is as follows:)

EXHIBIT No. 132.

[From the Marine Journal, May 7, 1910.]

THAT MERCHANT MARINE LEAGUE INVESTIGATION—WAS IT TIMED BY ITS INSTIGATORS TO PREVENT FURTHER ACTION ON SHIPPING LEGISLATION THIS SESSION?

The enemies of legislation which would own the American ship in the foreign trade could not have done more toward its defeat at this session than those who have worked hard for its success, but through tactless methods. To begin with, the free-ship clause in the Humphreys bill was a serious mistake. No one questions the sincerity of Representative Humphreys's desire to reestablish the share of the foreign carrying trade that properly belongs to ships of this nation, but his bill in the particular mentioned was drawn in a way to make it vulnerable to the true friends of American shipping, and the consequence has been that it drew their opposition rather than their support. Besides, Mr. Humphreys has never been able to satisfactorily explain why it was necessary to engraft a free-ship clause in an ocean-mail subvention bill when it was believed that a majority of the House would support a bill such as came within two votes of passing the House last session after it had passed the Senate.

The Steenerson resolution, although not a matter of supreme importance, is consuming valuable time, and the wide field of inquiry it will be likely to demand may sidetrack the ocean mail bill for this session, and it is the opinion of those well informed that this investigation was timed to aid in the defeat of this legislation. The instigators of it have been and are known to be now earnest workers against it. It is also a well-known fact that foreign steamship representatives have for many years been especially active in creating a hostile sentiment in the Middle West against any efforts in aid of competitive ocean traffic by ships built and operated by citizens of the United States through congressional action.

Any American industry is entitled to a proper representation in Washington and elsewhere. The National Board of Trade, representatives of chambers of commerce, irrigation organizations, deep waterways and river and harbor conventions are held in the capital city and before which Congressmen from interested sections have made strong appeals for support of needed improvements and United States Treasury contributions. But the less pretentious Merchant Marine League, which represents a practically friendless cause in the Middle West, is haled before an investigating committee upon the complaint of two unfriendly representatives who bear un-American names and are in sympathy with a foreign marine industry as against a like industry of the Nation they represent in Congress.

If this congressional inquiry is pushed to include associations or individuals outside of the Merchant Marine League, as a matter of course foreign steamship agents will be called to testify as to whether they have in any way aided to bring about such investigation. Whether such can be proven or not, the committee will not have to scratch far below the surface to find that for fifty years these agents have been an influential dominant force in opposition to American shipping legislation. While we do not believe that they have ever corrupted Congress, they have systematically planted hostile arguments in the fertile ground of Middle West agricultural communities against bounty, sub-

sldy, or any kind of government aid to the shipping industry of the United States in the oversea trade and are continually renewing their efforts on those lines.

If the special investigating committee of the House of Representatives will cut out personal matters for a while and turn its attention to the real subject of the inquiry ordered, it can unquestionably unearth facts that would set the people to thinking seriously on the fact of foreign domination of shipping legislation and move them to rise up in their might and crush it.

The CHAIRMAN. Mr. Norton, under the resolution which appointed this committee we were authorized to ascertain and report as to the existence and conduct of any lobby or lobbies, in connection with the entire question of ship subsidies, and to ascertain as to what funds there are, if any, and the source thereof, for the support of said lobby. I will ask you generally whether you know anything about this, and know of the existence of any funds provided by either foreign or domestic steamships to influence legislation in regard to shipping interests generally?

Mr. NORTON. I can say emphatically during my twenty-five years' service on the Marine Journal that I have never known of any fund—only what I have heard, that is all.

The CHAIRMAN. Is there anything that you have heard that can give this committee any light whatever on that subject?

Mr. NORTON. All that I have heard in regard to that has come from Washington, more or less.

The CHAIRMAN. Whereabouts in Washington?

Mr. NORTON. From the special correspondents of the New York papers, I would say.

The CHAIRMAN. In the issue of July 9, 1906, appears in this editorial, marked "Exhibit 131," the following:

The Washington investigation was simply a valuable preliminary to what can be brought out here if the probe is inserted deep enough by the committee which was created through the efforts of those congressional sympathizers with foreign lines through opposing subsidy to American shipping.

Will you tell me in your opinion what that means?

Mr. NORTON. That means, I have no doubt, that such a condition exists, but I have no proof of it.

The CHAIRMAN. Can you suggest any way whatever by which this probe can be inserted so deeply that this committee can get this information?

Mr. NORTON. I must say when I wrote this I was not thinking of trying to instruct Congressmen what to do, and I don't know that I could. I am firmly of the belief that such means have been adopted, but I have no proof of it.

The CHAIRMAN. Has your paper or anybody associated with you any proof whatever that will enable us to get any information whatever?

Mr. NORTON. No, sir. We have not sought any.

The CHAIRMAN. Will you tell me what hearsay information there is that would justify you in stating that if we put the probe in deep enough we can get all kinds of information in regard to this matter?

Mr. NORTON. Well, I don't know that I am competent to tell you where you can get that information; but I have no doubt that every man, woman, and child employed by foreign steamship lines is doing all he or she can to prevent any legislation in favor of American shipping in Congress, whatever means they may take, and I have no doubt that money is used in such efforts. Well, we would not see the

large display advertisements of foreign steamship lines in the Middle West papers unless there was a purpose for it. That is, there are several Congressmen, I believe, that are interested in newspapers out West, and I have seen publications which have quite extensive advertisements of the foreign lines; but I could not name them now.

The CHAIRMAN. Would you think that merely because foreign lines advertise in American papers that therefore there is some improper use of money being made to prevent ship-subsidy legislation?

Mr. NORTON. Well, in these days of advertising I should consider that if I wanted anything really nicely and neatly done out West in a local paper I would send some kind of advertisement of that kind. They doubtless would require remuneration for their services as well as we do in the East.

The CHAIRMAN. What I mean is, is there anything that you know yourself, or know even in a general way, as to any improper use of money or influence to influence legislation in connection with the entire shipping interests of America?

Mr. NORTON. Oh, I can not think of anything now; no. I can not think of anything that would help this committee in regard to being able to subpoena any person that could testify that they knew that money was used. But we know—of course everyone is aware—that influences are used as they were, as you have found in your investigation here.

The CHAIRMAN. Apart from that, what I want to get at is as to whether there are any particular witnesses that you think this committee could subpoena who you think could give us direct light upon the subject?

Mr. NORTON. No, sir; I am not in close touch enough with the foreign steamship lines.

The CHAIRMAN. But your own paper certainly must have a large number of people employed who must keep you informed in regard to these matters. Are there any people you can think of now who you could suggest that could give us light on this subject?

Mr. NORTON. No, sir; I don't think of any. I understand what you desire, and I would be only too happy if I could find someone who could give you the information, but I don't know of anyone from my own knowledge.

The CHAIRMAN. In this paper, that is marked Exhibit 132, the date of which seems to be obliterated, this sentence is used:

But the less pretentious Merchants Marine League, which represents a practically friendless cause in the Middle West, is haled before an investigating committee upon the complaint of two unfriendly Representatives, who bear un-American names and are in sympathy with a foreign marine industry as against a like industry of the Nation they represent in Congress.

Will you tell me what that sentence means?

Mr. NORTON. It means just what it says. I believe every word of that to be true, from what I have read of the investigation and what I have read of the men.

The CHAIRMAN. To whom do you refer when you speak of the "two unfriendly Representatives who bear un-American names and are in sympathy with a foreign marine industry as against a like industry of the Nation they represent in Congress?"

Mr. NORTON. I refer to the two that appeared before your investigating committee, as I understand it, Mr. Steenerson and the other one.

The CHAIRMAN. Mr. Küstermann?

Mr. NORTON. Yes, sir.

The CHAIRMAN. You describe them in this way: "Two unfriendly Representatives who bear un-American names and are in sympathy with a foreign marine industry as against a like industry of the Nation they represent in Congress."

What do you mean by that?

Mr. NORTON. I believe they are.

The CHAIRMAN. But why do you believe they are; or do you believe they are solely because they have opposed ship-subsidy bills?

Mr. NORTON. I believe myself, without any proof, that the bringing of this investigation by this committee was a preconceived plan on the part of such men to try to defeat the shipping bill that was before Congress. That is what I believe, but I have no proof of it.

The CHAIRMAN. But why do you believe it?

Mr. NORTON. Because every action of theirs is against the American merchant marine.

Mr. GARRETT. Every action of the committee?

Mr. NORTON. No; I am speaking of Mr. Küstermann and Mr. Steenerson. Before I was subpoenaed in the last week—perhaps there is a paragraph here that might interest you that I have marked [witness producing a paper] in regard to Mr. Küstermann.

The CHAIRMAN. Mr. Norton; you have made statements, have you not, that it was a matter of common knowledge that Members of Congress took free trips backward and forward between America and Europe?

Mr. NORTON. I don't know that I ever did. I never knew such to be the case. Something may have crept into my paper along that line, but I don't remember it now.

The CHAIRMAN. Do you know of any person who is a Member of Congress being directly or indirectly influenced by any favors that they got from a foreign steamship company relative to their action in the House of Representatives in regard to any ship-subsidy bill?

Mr. NORTON. Not since the death of my dear old friend Tim Campbell.

The CHAIRMAN. I think you better tell us what you mean by that.

Mr. NORTON. Mr. Chairman, there is nothing I can tell you in regard to matters of that kind. That is, they are done so cleverly that it would take a much brighter man than myself to find out who did it. Of course Mr. Olcott knows who Mr. Tim Campbell is; that he was a former Representative from New York.

The CHAIRMAN. You don't want to be understood as saying here that you believe he was improperly influenced, do you?

Mr. NORTON. No, sir; I do not say that. You asked me if I had heard anything—

The CHAIRMAN. I mean you do not want to be understood as saying that Mr. Campbell was ever influenced improperly?

Mr. NORTON. No; I do not say that he was. I don't wish to be understood as saying that he was.

The CHAIRMAN. Will you tell me whether you have told us everything that you have which justified your writing the sentence?—

The Washington investigation was simply a valuable preliminary to what can be brought out here if the probe is inserted deep enough by the committee which was created through the efforts of those congressional sympathizers with foreign lines who are opposing subsidy to American shipping.

Have you no information whatever to give this committee as to how the probe can be inserted deeper, and as to whom we should examine to find this information that you apparently had or that you had when you wrote that?

Mr. NORTON. I regret that I have not.

The CHAIRMAN. Well, did you have any better information when you wrote this article that appears in the paper of July 9 than you have now?

Mr. NORTON. Do you refer to the same paragraph?

The CHAIRMAN. The same paragraph.

Mr. NORTON. No. I believe every word that is published in that paper on the editorial page, but I do not think that any newspaper editor can prove what he believes always; I can not in that regard, but I believe it all the same.

The CHAIRMAN. Well, will you give any further reason as to why you believe this?

Mr. NORTON. Simply because I know that they would not spare any effort or any means to do injury to any bill or to delay or defeat any bill which was in favor of the American merchant marine. And why should they not?

The CHAIRMAN. Will you tell us any effort that you know that they have made in connection with the matter?

Mr. NORTON. No more than what this committee knows. I have read the proceedings before this committee.

The CHAIRMAN. Do you know of any effort—do they employ people in Washington to try to influence legislation?

Mr. NORTON. Yes, sir. Did they not employ that Associated Press man?

The CHAIRMAN. You referred to the testimony that was taken in regard to that?

Mr. NORTON. I do.

The CHAIRMAN. Do you know anything else whatever in regard to any lobby being in Washington?

Mr. NORTON. No, sir.

The CHAIRMAN. Do you know of any of the foreign steamship companies employing anybody in Washington or here or in any other part of the United States to influence legislators?

Mr. NORTON. No, sir.

The CHAIRMAN. In any way, properly or improperly?

Mr. NORTON. No, sir.

The CHAIRMAN. Well, have you any information that you can possibly give this committee as to how we can probe deeper, so as to get at these facts which you say exist, but which you can not prove?

Mr. NORTON. No, sir.

The CHAIRMAN. Have you anybody you can suggest we can subpoena who may know about it, anybody connected with your paper, or anybody connected with any foreign steamship company?

Mr. NORTON. Well, I would suggest that you subpoena the management of those foreign steamship companies, the men who draw the checks, who authorize drawing of checks, giving money—

The CHAIRMAN. To what companies do you refer?

Mr. NORTON. I refer to every single one of the large companies.

The CHAIRMAN. Name them, please. I want to be sure that we have covered them. Which companies do you mean?

Mr. NORTON. I prefer to mention only the North German Lloyd and the Hamburg-American.

The CHAIRMAN. You appreciate, of course, that we have already subpoenaed the general managers of the North German Lloyd and the Hamburg-American?

Mr. NORTON. Yes; and if I read the testimony right, the Hamburg-American manager contradicted himself before and after the bringing out or the smoking out of the Associated Press man.

The CHAIRMAN. What I want to get at is what this committee can do, because I want you as a man who has given thought to this matter to assist us and tell us what people you think we ought to subpoena.

Mr. NORTON. I would be glad to. I thought of writing you when I was subpoenaed stating that I had no positive information and I didn't want to take up your time, but I have my belief that everything that has appeared in the Marine Journal in regard to this is correct.

The CHAIRMAN. But can you name now any other witnesses, other than the superintendent of the Hamburg-American, who has been examined; can you name anybody that you think we ought to subpoena in order to get this information?

Mr. NORTON. I could not name anyone; no. I was thinking whether Mr. Winthrop L. Marvin, of Boston, might be subpoenaed.

The CHAIRMAN. Who is he?

Mr. NORTON. He is a man who has already appeared before this committee.

Mr. GARRETT. Have you read his testimony?

Mr. NORTON. Yes, I have read his testimony; but I do not recall it at the present time. I know that he is thoroughly posted in regard to the present conditions.

Mr. GARRETT. Was he not very thoroughly examined when he appeared before this committee?

Mr. NORTON. I think not. I think Mr. Marvin would appear before this committee again if he was subpoenaed.

The CHAIRMAN. Of course he would appear if he was subpoenaed.

Mr. NORTON. I think he might give you information on the lines I am talking on, that you are asking me about, which I can not give, perhaps.

Mr. GARRETT. Do you understand from Mr. Marvin that he has any additional information to what he testified to when he appeared before the committee last spring?

Mr. NORTON. I don't know.

Mr. GARRETT. Have you talked with him since he appeared before the committee?

Mr. NORTON. Yes; I have seen him since he appeared before the committee.

Mr. GARRETT. Did he leave the impression upon you that he had any additional information to what he gave to the committee at the time he was subpoenaed?

Mr. NORTON. I will not say that. I think Mr. Marvin said to me that he might write to the committee, asking them to call him again.

Mr. GARRETT. He did not say whether he had any additional information, then, in the conversation you had with him?

Mr. NORTON. I don't remember that he did; I should not suppose he would make that remark unless he had something that he would like to convey to the committee.

Mr. GARRETT. Where is Mr. Marvin now?

Mr. NORTON. He is at 683 Atlantic avenue, Boston.

The CHAIRMAN. You realize that at the time Mr. Marvin was before us one of the attorneys who appeared before us at that time called attention to the fact that practically the entire testimony of Mr. Marvin was contained in a letter which he wrote to the Journal of Commerce and which was produced as Exhibit No. 62. Have you read the testimony thoroughly enough—

Mr. NORTON (interrupting). I read it at the time, but I could not recall it.

The CHAIRMAN. Do you think Mr. Marvin could give us any additional information other than that which he gave us in his testimony before, and also the letter which was produced at page 990 of the record?

Mr. NORTON. I simply repeat that Mr. Marvin said to me that he might write the committee to call him again.

The CHAIRMAN. Of course the committee will call him again if Mr. Marvin wants to come back.

Mr. NORTON. I am giving you the information he gave me. I think Mr. Marvin is better informed in regard to the methods of the foreign steamship interests than any other man I know of in the United States. He was secretary of the Gallinger committee during all its tours through the country getting information.

Mr. GARRETT. Yes; that was all testified to by Mr. Marvin when he appeared, and he emphasized his objection to advertising companies sending out certain notices, and really to their appearing before the committee; but his objection, unless it was based on some fact, you know, would not help the committee much. The committee has to find facts.

Mr. NORTON. I understand.

The CHAIRMAN. Is there anybody else besides Mr. Marvin that you think would shed light on this subject that you speak of editorially?

Mr. NORTON. I do not recall anyone, Mr. Chairman.

Mr. GARRETT. In the course of your examination a moment ago I understood you to state that there were Members of Congress from the Middle West opposed to the—well, what is called the ship subsidy.

Mr. NORTON. I should say so.

Mr. GARRETT. That were the owners of newspapers that carried steamship advertisements?

Mr. NORTON. I don't know that I said owners or that I meant owners; but that they were interested in newspapers. They are interested in this way, we will say—any publications in their districts.

Mr. GARRETT. Will you give us the names of those?

Mr. NORTON. I don't know any of them.

Mr. GARRETT. Where did you get the information?

Mr. NORTON. I have seen the papers, but I could not recall them, from time immemorial—ten or twenty years.

Mr. GARRETT. Do I understand correctly, then, that you charge that there are Members of Congress from the Middle Western States that are the owners of newspapers—

Mr. NORTON. I do not charge that; I corrected that in regard to being the owners, but I say interested.

Mr. GARRETT. Interested in newspapers that carry shipping advertisements, and that those men are opposed to the merchant-marine legislation in Congress?

Mr. NORTON. I would like to state that answer in my own way.

Mr. GARRETT. I would be glad to have you do so.

Mr. NORTON. I believe, and I have no proof of it, that numbers of the Middle West Congressmen who are more or less interested in the newspapers in their districts, whether they be owners or not, they are interested in them, receive patronage from the foreign lines, far more than is given to newspapers in this section of the country, and I naturally suppose it would be to the benefit of those Congressmen; that is, they receive a benefit from it through the advertisements, the publications put in.

Mr. LONGWORTH. Can you mention one?

Mr. NORTON. No, sir.

Mr. GARRETT. That is the statement you have just made that is going to the country through the press unofficially, and through Congress officially here—a publication. It is a pretty serious statement. Can you not name one?

Mr. NORTON. It does not seem serious to me at all. I am not saying I can prove it. I believe it. I don't say anyone told me so at all. I have seen it in the papers.

Mr. GARRETT. What papers?

Mr. NORTON. I don't remember any of them.

Mr. LONGWORTH. Can you mention, for instance, a State in which you have seen that?

Mr. NORTON. No, sir.

Mr. LONGWORTH. When you speak of the Middle West, what do you mean, what States do you mean?

Mr. NORTON. States west of Washington, what is generally called the Middle Western States.

Mr. LONGWORTH. Do you mean Kansas, for instance?

Mr. NORTON. I will simply say States west of Washington.

Mr. LONGWORTH. All the way west of Washington?

Mr. NORTON. I don't say all the way west. What is generally termed the "Middle West."

Mr. LONGWORTH. Do you know any Republican Members of Congress that are opposed to ship subsidies, so called?

Mr. NORTON. If I had the Congressional Record before me, I could tell you.

Mr. LONGWORTH. You do not remember now?

Mr. NORTON. No.

Mr. LONGWORTH. Do you mean to say that any one of those particular men would come under that category?

Mr. NORTON. I should suppose that they would be most likely to; yes, sir.

Mr. LONGWORTH. That is to say, there are Republican Members of Congress from what you term the Middle West that you say are

interested in newspapers which carry foreign shipping advertisements?

Mr. NORTON. Is it not a well-known fact that all Congressmen are interested in newspapers that are published in their districts?

Mr. GARRETT. Oh, well, is that what you mean?

Mr. NORTON. That is what I mean.

The CHAIRMAN. You mean to say that they are interested in wanting to get favorable allusions to themselves and to their work in Washington?

Mr. NORTON. That is it.

Mr. GARRETT. But didn't your answer a while ago imply ownership or a share in the ownership of certain newspapers?

Mr. NORTON. I didn't intend that at all. If that is so, I want that struck out.

Mr. GARRETT. I so understood you.

The CHAIRMAN. I did, too. Did you not mean they were interested in newspapers in some other way than all citizens are interested in having good things said about them rather than bad things? Was that all you meant?

Mr. NORTON. That is about all.

The CHAIRMAN. You did not mean that there were any people financially interested in newspapers?

Mr. NORTON. I could not say.

Mr. LONGWORTH. When you speak of a Middle Western Congressman that is interested in a newspaper which happens to carry an advertisement of foreign shipping lines, do you mean that he has anything to do in being instrumental in having that advertisement put in?

Mr. NORTON. I could not say.

Mr. LONGWORTH. You could not say that?

Mr. NORTON. No.

Mr. GARRETT. Did you not mean to leave the impression on this committee that advertisements had been inserted in newspapers out there in which Congressmen were interested in order to influence their action on the ship-subsidy matter?

Mr. NORTON. Well, I can put it in this way: It is my belief that it is so, but I have no means of proving it, and I could not name any paper. But I am of the opinion, and my opinion is as good as any one's else in that regard, I suppose.

Mr. GARRETT. What Members of Congress do you know that are interested in newspapers?

Mr. NORTON. I don't know any.

Mr. LONGWORTH. But your last statement would seem to insinuate that every Member of Congress is interested in newspapers.

Mr. NORTON. Every Member is interested in having newspapers treat him right, is he not?

Mr. LONGWORTH. Now, in reply to Mr. Garrett's question, you say you don't know anyone?

Mr. NORTON. Well, I don't know anyone. If he means interested financially, I don't know anyone.

Mr. LONGWORTH. What do you mean?

Mr. NORTON. I mean that every Member of Congress, whether it be in the Middle West or here—

Mr. LONGWORTH. Then, your original statement covers every Member of Congress of both parties?

Mr. NORTON. No; not exactly that.

Mr. LONGWORTH. Then, will you kindly state just what you do mean?

Mr. NORTON. What was my first statement?

Mr. LONGWORTH. You said that Members of Congress from the Middle West were interested in newspapers. What do you mean by saying that they are interested in newspapers?

Mr. GARRETT. Do you mean that they knew how to read?

Mr. NORTON. No; I presume that some of them are owners of newspapers.

Mr. LONGWORTH. Now, we come to this point; that what you mean by interested in newspapers means financially interested?

Mr. NORTON. I do not say they are. I believe they are, some of them, yes; I have no doubt of it.

Mr. LONGWORTH. And those were the ones you meant to apply to, that your remark was intended to apply to?

Mr. NORTON. Yes.

Mr. LONGWORTH. Those that were financially interested in newspapers that were carrying advertisements paid for by foreign shipping interests?

Mr. NORTON. Yes, sir.

Mr. LONGWORTH. We have got to that.

Mr. NORTON. That is what I believe. I don't say that is the fact.

Mr. GARRETT. Didn't you state a while ago that those papers were carrying more than the usual proportion of advertisements?

Mr. NORTON. It seems so to me.

Mr. GARRETT. Now, what papers are they?

Mr. NORTON. I don't know.

Mr. GARRETT. Then how do you know their proportion?

Mr. NORTON. I have forgotten; I don't remember every paper I take up, with 100 or 200 exchanges every day.

Mr. GARRETT. Could you get that information in the course of a day or so?

Mr. NORTON. I don't think I could. I would say further in that regard that papers have been sent me from time to time with those advertisements marked, and they passed my mind and the papers went into the wastebasket.

The CHAIRMAN. Did those papers come to you in the regular course of exchanges?

Mr. NORTON. No, sir.

The CHAIRMAN. Can you not tell us any newspaper to which you refer?

Mr. NORTON. No, sir.

The CHAIRMAN. Or any State where there are such newspapers to which you have referred?

Mr. NORTON. No, sir; I do not remember. It is a long time since I have seen any—quite a little while.

The CHAIRMAN. How recently have you seen these newspapers that justify you in your opinion?

Mr. NORTON. Oh, I do not remember.

The CHAIRMAN. What are these advertisements that you spoke of? Are they advertisements generally of foreign sailings in the trans-Atlantic trade?

Mr. NORTON. Yes, sir; the reason why I do not remember about that is that some time ago I stopped having them put on my desk.

Mr. GARRETT. You stopped having them put on your desk, you say?

Mr. NORTON. I stopped having my mail opener put them on my desk.

Mr. GARRETT. You gave instructions not to put them on your desk any more?

Mr. NORTON. I had seen all I wanted to see.

Mr. GARRETT. Well, I understood the purport of your statement to be that there were certain papers in the Middle West in which Representatives in Congress were interested that carried an undue proportion of foreign steamship advertising, and those Congressmen were opposed to ship subsidy. That is the way I understood your statement.

Mr. NORTON. That is my belief. Put it that way.

Mr. GARRETT. I wish you would give the committee the name of a paper or the name of a Congressman to which you refer.

Mr. NORTON. I can not do that. I do not remember the name of the paper nor the Congressman.

Mr. GARRETT. Can you give us anything that you base that belief on?

Mr. NORTON. Nothing. Nothing. I have not retained it in my memory at all.

Mr. LONGWORTH. Were any of those papers on your regular list of exchanges?

Mr. NORTON. No, sir.

Mr. GARRETT. They were sent to you, incidentally? Who sent them to you?

Mr. NORTON. I do not know.

Mr. GARRETT. Why did you think they sent them to you? Why do you suppose they sent them to you?

Mr. NORTON. I suppose they wanted to keep us informed—some one in the neighborhood who was in favor of American shipping.

Mr. GARRETT. What are your connections with the shipping industry?

Mr. NORTON. I have stated. I am publisher of the Marine Journal.

Mr. GARRETT. And that is all?

Mr. NORTON. Yes, sir.

Mr. GARRETT. Do you have any other interest? Do you own any interest in shipping in any way?

Mr. NORTON. I was a shipmaster for quite a good many years.

Mr. GARRETT. Do you own any interest in a shipbuilding plant?

Mr. NORTON. No, sir; I do not.

Mr. GARRETT. You have no direct interest in the question?

Mr. NORTON. No, sir.

Mr. GARRETT. Well, Mr. Norton, do you think it is fair to this committee to publish articles suggesting in terms that can not be misunderstood that there is information that they can get, and then to refuse to divulge that information to the committee when it is trying to ascertain it?

Mr. NORTON. I do not think it is very fair to me to try to think of anything that I do not know anything about. It is far from my intentions to say anything derogatory to or to hamper or injure this committee. On the contrary, my sympathies are with the committee. I only wish that I could give them the information

they are seeking and which I have no doubt is right here in this city. But it will require a smarter man than I am to put his finger on the persons who are guilty.

The CHAIRMAN. Can you not suggest the name of any witness that we can examine who will enable us to insert this probe deeper? That seems to be an expression of yours in the editorial.

Mr. NORTON. If I had waited a minute later perhaps I might have used an expression that would have caused me less trouble and the committee less trouble. It was a figure of speech, practically, that the committee can not probe too deep. But the committee knows, as well as I do, how difficult it is to trace any of these things to the source from which they come.

The CHAIRMAN. But we come to you, the publisher of this Marine Journal, who uses this expression, we assume you used that expression having some specific and particular meaning, and we ask you as to particular individuals that we can ask, so as to get the information that we are trying to obtain. Can you not assist us at all in the matter?

Mr. NORTON. When I wrote that, I believed it, and I tell you I believe now that such is the fact. But no, I can not give you any information that would bring you to the party who was guilty of the transaction.

Mr. GARRETT. It is hardly fair, Mr. Norton, for a publication to lay the basis for an attack upon an investigating committee by asserting that certain things can be learned, and then have that publication refuse to give us the information when we come asking for it.

Mr. NORTON. Refuse? I do not refuse. I do not refuse to give you anything that I know.

The CHAIRMAN. Is there anybody connected with your paper at all that has any more information than you have in connection with this matter?

Mr. NORTON. No, sir; not as much.

Mr. LONGWORTH. In your article you refer to the member of the staff of the Associated Press who was in the employment of some of the foreign lines. Do you know any other member of any press association that is so employed?

Mr. NORTON. Do I know of any other?

Mr. LONGWORTH. Yes.

Mr. NORTON. No, sir.

Mr. LONGWORTH. Or who you have any reason to believe is being paid by any foreign shipping concern?

Mr. NORTON. No, sir; I do not. I would be the least liable to know.

Mr. LONGWORTH. Why?

Mr. NORTON. Because, knowing that my publication is against the methods of the foreign lines in regard to the American merchant marine, I would be the last person that would be liable to learn such things.

Mr. LONGWORTH. I do not think that would necessarily follow; but still, do you know of any bureau of any kind, of any news bureau, that is maintained in that way?

Mr. NORTON. No, sir.

Mr. LONGWORTH. Or do you know of any concerted effort to send out certain colored news of any kind—

Mr. NORTON. No, sir.

Mr. LONGWORTH (continuing). To be published simultaneously in various papers?

Mr. NORTON. No, sir.

The CHAIRMAN. Mr. Norton, there was a subpoena from this committee served upon you last June, was there not?

Mr. NORTON. Yes.

The CHAIRMAN. Asking you to appear in Washington?

Mr. NORTON. Yes.

The CHAIRMAN. And you sent to me, as the chairman of the committee, or caused to be sent to me, a certificate from your physician saying that you would be glad to testify here in New York, but that you had some complaint that made it impracticable for you to travel without danger. Did you not, at that time, speak quite frankly to the process server in regard to what you knew in connection with this matter?

Mr. NORTON. I do not remember doing so.

The CHAIRMAN. Did you not say it was matter of common knowledge that Members of Congress get free trips to Europe? Did you not say that to that process server?

Mr. NORTON. I do not remember that I did.

The CHAIRMAN. Did you not even use the expression that you knew "who the members of the Black Horse Cavalry are?"

Mr. NORTON. No, sir.

The CHAIRMAN. Did you not use some expression of that kind?

Mr. NORTON. No, sir; never in the world. I hardly know what the meaning of the "Black Horse Cavalry" is.

The CHAIRMAN. I do not, either; but I had a memorandum from the process server that something of that kind was said by you.

Mr. NORTON. The process server was rather earnest—must have been—to attribute any such remark to me.

The CHAIRMAN. Was there any conversation of that sort had between you and the process server?

Mr. NORTON. I do not remember it.

The CHAIRMAN. You spoke quite freely to him, did you not?

Mr. NORTON. I made him at home while he was in my office.

The CHAIRMAN. But you talked about knowing Members of Congress, did you not, that were obtaining accommodations from the foreign steamship companies?

Mr. NORTON. No, sir; I did not; because I never did.

The CHAIRMAN. Do you know any Member of Congress whatever that you can put your finger upon as one of those that you thought of when you wrote this editorial in regard to people being influenced?

Mr. NORTON. No, sir; no, sir.

The CHAIRMAN. When you said, a little while ago, that Members of Congress in the Middle West were influencing newspapers to get an undue amount of advertising, did you not have any Member of Congress in your mind?

Mr. NORTON. No, sir.

The CHAIRMAN. Or any set of people?

Mr. NORTON. No, sir.

The CHAIRMAN. And you can not name any witnesses that we may call before this committee who will give us any light on the subject that we are asked to investigate?

Mr. NORTON. No, sir. There are any quantity of people that believe as I do; but none of them has definite knowledge, I suppose.

The CHAIRMAN. Can you give me any source of information that justifies you in your belief that some Members of Congress are improperly influenced?

Mr. NORTON. I do not think I have said that. I do not call it improperly influenced. No; I have not said that. I could not.

The CHAIRMAN. Well, are influenced, then, by getting an undue amount of advertising in their local newspapers?

Mr. NORTON. I could not name them.

The CHAIRMAN. And you can not name the newspaper?

Mr. NORTON. I do not remember the newspaper.

The CHAIRMAN. And you can not name any States where the newspapers are published?

Mr. NORTON. No, sir.

The CHAIRMAN. And the Middle West, you say, is just generally west of Washington?

Mr. NORTON. Yes, sir.

The CHAIRMAN. Well, where would you stop? I do not suppose you would go as far as the Pacific coast.

Mr. NORTON. I would have to look at my atlas. I do not carry those States in my mind. There is no one who knows better what the Middle West is than the Members of Congress.

The CHAIRMAN. Do you mean Ohio, Illinois, Iowa, Wisconsin?

Mr. NORTON. States that are usually called the Middle West.

Mr. GARRETT. Did you say that you understood this committee was appointed or that the appointment of this committee was brought about in order to postpone marine legislation?

Mr. NORTON. I believe that was the object of those that brought about this investigation.

Mr. GARRETT. From what source do you get that information?

Mr. NORTON. From my own reading of the newspapers, and congressional legislation and the congressional records.

Mr. GARRETT. It is just a matter of belief?

Mr. NORTON. It is just a matter of belief; that is all, sir.

The CHAIRMAN. Mr. Norton, I only want to ask you one question, because I want to make this very clear:

In this editorial in your paper of July 9, 1910, that is marked "Exhibit No. 131," to which I again refer you, you say if the probe is inserted deep enough, such and such things will be ascertained.

I want to know whether you have any suggestion as to the way that we can insert the probe as deeply as possible, or whether there is any individual that you think of that we can subpoena who may give us information to fortify you in the opinion that you say you have?

Mr. NORTON. Mr. Chairman, I have told you that I wish that I could; but I can not; that that is my belief.

The CHAIRMAN. So it is merely a belief?

Mr. NORTON. Merely a belief.

The CHAIRMAN. Founded on no facts that we can get at?

Mr. NORTON. On no facts that you can get at; or, I assure you, I would do all I could to assist you to get at them.

The CHAIRMAN. You can not make any suggestions to the committee that will enable them to get at these matters that you believe to be a fact, other than you have said, now?

Mr. NORTON. I regret that I can not.

The CHAIRMAN. You can not suggest a single witness that we could call?

Mr. NORTON. No, sir.

The CHAIRMAN. I think that is all.

Mr. NORTON. I would like to make one correction, if it is permissible.

The CHAIRMAN. Very well.

Mr. NORTON. I spoke of Tim Campbell thoughtlessly a little while ago in my testimony; but my meaning was misconstrued, I think. When Tim Campbell was alive we would talk together frequently, as we were quite good friends, and Tim used to come over from Washington and come to my office, and then I used to get a good deal of information that was valuable to me. But since Tim has been dead I have not been able to get that information.

Mr. LONGWORTH. Was he interested in your newspaper?

Mr. NORTON. No.

The CHAIRMAN. I would like to ask you one thing: Do you know anything about a conference that is held once a month, or once in so often, at No. 17 State street, by the foreign steamship companies?

Mr. NORTON. I never was present, but my office is at No. 17 State street, and I understand there is one held there.

The CHAIRMAN. Do you know who composes the membership of that conference?

Mr. NORTON. I have seen the members' names in print.

The CHAIRMAN. Did you know anything about it until you read this testimony?

Mr. NORTON. Yes, sir; I think I did. Yes. Oh, yes.

The CHAIRMAN. Do you know what steamship lines send delegates to this conference?

Mr. NORTON. No; I can not recall them.

The CHAIRMAN. Does the North German Lloyd?

Mr. NORTON. I will not be positive about that, Mr. Chairman. I do not recall those names. They are all interested in it, I think—the South American lines, it seems, more than others.

The CHAIRMAN. Do you know whether they were persons interested almost entirely in the South American line or also in the trans-Atlantic lines? Do you know which?

Mr. NORTON. Well, it is a matter generally known and believed that the trans-Atlantic lines have their conference by themselves.

The CHAIRMAN. Is that the conference that has been testified to in this investigation?

Mr. NORTON. I do not recall, Mr. Chairman.

The CHAIRMAN. But you do not know anything about it? You do not know who the members are, and can not give us any light in regard to that?

Mr. NORTON. No. The reason why I know so little about the personnel of the foreign lines is that we are not in touch with each other. The Marine Journal is strictly an American marine newspaper, and we are not in touch with the foreign lines.

The CHAIRMAN. Do not the foreign lines advertise in your paper?

Mr. NORTON. No, sir; they never touch the Marine Journal. It is a troublesome little paper.

(Thereupon, at 3.45 o'clock p. m., the committee adjourned until to-morrow, November 29, 1910, at 2 o'clock p. m.)

NEW YORK, N. Y., *Tuesday, November 29, 1910.*

The committee met pursuant to adjournment of Monday, November 28, 1910.

Present: Messrs. Olcott (chairman), Longworth, Hawley, and Garrett.

TESTIMONY OF WILLIAM H. DOUGLAS.

William H. Douglas, having been first duly sworn, testified as follows:

The CHAIRMAN. Mr. Douglas, you are a merchant here in New York?

Mr. DOUGLAS. Yes, sir.

The CHAIRMAN. And of the firm of Arkell & Douglas?

Mr. DOUGLAS. Yes, sir.

The CHAIRMAN. And you have had a great deal of experience in shipping matters, have you not?

Mr. DOUGLAS. I have.

The CHAIRMAN. And you were a Member of Congress for the Fifty-seventh and Fifty-eighth Congresses, were you not?

Mr. DOUGLAS. I was.

The CHAIRMAN. Mr. Douglas, you understand the scope of the resolution under which this committee is meeting?

Mr. DOUGLAS. Yes, sir.

The CHAIRMAN. What the committee is particularly desirous of getting at is to find out whether you have any information whatever relative to any foreign interference with legislation, actuated by or started or cared for by the foreign steamship companies. Can you tell us anything that you know in regard to that matter?

Mr. DOUGLAS. I can simply say that I think that the alien steamship interests in New York City have endeavored, so far as possible, to look after their interests in every possible way, based on the protection of the same in the port of New York.

The CHAIRMAN. Well, do you know of any way in which they have sought to influence legislation at all?

Mr. DOUGLAS. Well, it seems to me that that is a question of ethics, based on how far an alien corporation can have its agents in a foreign port look after its interests, and endeavor to prevent legislation which might be inimical to their interests. I can only answer it in that way.

The CHAIRMAN. Do you know of any specific instance where anything in the nature of a lobby has been fostered by them?

Mr. DOUGLAS. I would not like to say a lobby; but I think that, undoubtedly, the steamship interests have had representatives in Washington for many years to look after their interests in various ways.

The CHAIRMAN. Do you know, at all, who the members of the lobby were?

Mr. DOUGLAS. I do not. I think they have had paid men there at times. They have been changed, probably, at various times.

The CHAIRMAN. Would you know the names of anybody that we could call who would be likely to give us any light upon this subject?

Mr. DOUGLAS. I think that such men as have already been mentioned here unquestionably will know, if they care to state the facts,

whether they have employed agents or not; such men as are influential here—the agents of the Hamburg-American Line and the agents of the White Star and other lines, who have been more or less interested in these subjects. They ought to be able to produce those names.

The CHAIRMAN. What man connected with the Hamburg-American Line can you think of?

Mr. DOUGLAS. I mean the head of the Hamburg-American Line; at present it is Mr. Boas.

The CHAIRMAN. He has already testified before this committee.

Mr. DOUGLAS. Yes; I understand he has.

The CHAIRMAN. Is there anybody connected with the North German Lloyd, particularly, that you can mention?

Mr. DOUGLAS. Mr. Schwab, of course, the head of the North German Lloyd.

The CHAIRMAN. He has been already subpoenaed here, and will testify later.

Mr. Douglas, there was an article published in the New York American of August 25, 1910, which I would like to show you [handing paper to witness]. Will you glance over that article, and tell me whether that is, practically, an interview with you?

Mr. DOUGLAS. I think I have read this before, although it was some time ago. The substance of that article is on the lines of a statement that I made to the reporter who called on me.

(The paper referred to was marked Exhibit No. 133, and is as follows:)

EXHIBIT No. 133.

OCEAN STEAMSHIP TRUST CUNNINGLY DOMINATES CONGRESS—"NEW YORK CHAMBER OF COMMERCE EFFORTS TO REVIVE MERCHANT MARINE INSIDIOUSLY BAFFLED," DECLARES WILLIAM H. DOUGLAS—"COMMERCIAL TORIES SET US FIGHTING AMONG OURSELVES AND SUCCESSFULLY PARALYZE ALL OUR ATTEMPTS AT RELIEF."

William H. Douglas, head of one of the largest importing firms in the city, a former Congressman and a member of the New York Chamber of Commerce, charged yesterday that the foreign steamship trust has so dominated the chamber of commerce and the present Congress as to prevent any relief for the American merchant marine and to halt any interference with its own monopoly. Mr. Douglas said:

"The foreign steamship trust, to insure its absolute grip upon the \$350,000,000,000 annual foreign trade of the United States, has packed not only Congress, but also such influential civic institutions as the New York Chamber of Commerce. Within the chamber there are more than 50 men who might be described as commercial tories. While appearing to be patriotic Americans, they are secretly allied with a monopoly whose supremacy is hostile to American interests."

Mr. Douglas was a Member of the Fifty-seventh and Fifty-eighth Congresses. In 1906 and 1907 he was president of the New York Produce Exchange. He has long been active in the maritime exchange and the merchants' exchange.

As president of the export and import house of Arkell & Douglas, he comes in touch with the trade of almost every country. The firm has branches in London, Melbourne, Buenos Aires, Cape Town, Port Elizabeth, Sydney, and Johannesburg, with agencies in Sao Paula, Trinidad, Barbados, Montevideo, Pernambuco, Demerara, Rio de Janeiro, Valparaiso, and Cayenne. Mr. Douglas spends most of his time traveling from one foreign country to another.

FIGHTING AMONG THEMSELVES.

"The time has come when the truth must be known," continued Mr. Douglas. "One of the chief reasons this country is at the mercy of the foreign steamship companies is because, through the most insidious methods, they have set us fighting among ourselves."

"Take, for example, the way this foreign-owned monopoly has confounded that most estimable institution, the New York Chamber of Commerce. Realizing the voice of the chamber would have a potent influence among the law-makers at Washington, it managed to throw its members into confusion. It accordingly became powerful inside the chamber. Through a large number of gentlemen who are affiliated with it in business and who feel obliged, for business reasons, to follow its dictates, it entered the committees, talked in the debates, and in other ways made its influence felt.

"But so cunningly does this trust operate that it renders it almost impossible for you to tell the patriot from the tory, the man who opposes you out of loyalty to his country, and he who pretends to work for American interests while at heart serving the enemy.

RESULT OF INTRIGUE.

"As a result of such intrigue the chamber labors year after year for a solution, which it never finds. As soon as one member suggests a certain course of action, another is proposed, then a third, and so on. Argument excites argument. A resolution is submitted, and amendment follows amendment, until the original proposition is practically nullified.

"I am glad Representative Humphrey is making such an active fight against the foreign steamship rings. Any American in the export or import business knows they exist, and that he is at their mercy. He knows, too, that they are always working against the interests of this country. Where they give the American shipper a certain rate, they extend, if possible, a better figure to the merchant of their own nation.

"The Shipping trust has long been successful in Washington in paralyzing any practical effort to reestablish the American merchant marine. It works as insidiously there as elsewhere. Its agents are always striving to upset one plan by apparently working for another.

"When Speaker Cannon was all-powerful, any proposition for government aid for American shipping was as good as dead from the very beginning. As things now stand in the House, I hope legislation will be enacted which will not only break the power of the foreign steamship rings, but through the establishment of American lines bring to the United States a vast amount of wealth which now goes to foreign countries.

MONOPOLY OF OUR PORTS.

"Foreign vessels reaching our ports should receive hospitable treatment, but that is entirely different from granting foreigners permanent monopoly of our ports. These foreign lines are taxed comparatively little, and in our large cities our piers are built mostly for their use, to the detriment of domestic trade. They make few repairs in our shipyards, and purchase their supplies exclusively at home, except as may be absolutely necessary. Their fleets in case of war would be used at once by their Governments to help destroy the nation which has protected and partly enabled them to exist.

"The profits we pay others for carrying our freight and mails, the loss through repairs at foreign ports of foreign ships in our trade, and the non-purchase of supplies here, with the additional loss of commerce resulting from this situation, approximate \$75,000,000 to \$100,000,000 a year.

"Our Government can change these conditions. The expenditure of \$10,000,000 a year for ten years would undoubtedly save our Nation \$1,000,000,000 or more in the same period, as our trade is regularly increasing and the profit of the steamship owner correspondingly large.

"I believe Congress at its next session should authorize the Postmaster-General to contract for one or more mail and freight lines to Europe, South America, South Africa, Central America, China and Japan, Australasia, and our dependencies, contract to be for not less than ten years, and loading ports those most likely to benefit and increase American commerce.

The CHAIRMAN. Mr. Douglas, this statement is made, quoting from what this paper says you said:

The foreign steamship trust, to insure its absolute grip upon the 350 billion dollars—that is what it says; I suppose it means "millions"—annual foreign trade of the United States, has packed not only Congress but also such influential civic institutions as the New York Chamber of Commerce.

Will you tell us what you mean by that?

Mr. DOUGLAS. In the first place, I did not make the statement that they had packed Congress. Of course, I suppose, the paper put that in. They naturally use their judgment in writing these articles and quoted me, perhaps, a little more severe than what I stated. If you wish me to speak about the chamber of commerce and other similar organizations—

The CHAIRMAN. I really would like to have you say just what you mean in regard to any influence they brought on Members of Congress.

Mr. DOUGLAS. Well, in so far as Congress is concerned, there is no reason why the foreign steamship people here should not endeavor to create an impression in Congress that it is unwise to have American shipping on the seas, if it suits them and if it is not against our laws; and there is no question but what they have endeavored to educate the Congressmen along those lines of thought for many years.

I do not go so far as to say that they have done so in any way which we can criticize. As I stated before, I think it is a question of ethics whether they have a right to do that or not. If it is against our law, they have no right to do it; if it is not against the law, they are simply protecting their interests. They undoubtedly have furnished, I presume, articles for the benefit of Congressmen to read. They have influenced papers and published all kinds of articles for years which stabbed American shipping in the back, their object being, naturally, to influence Congress against passing any measure which would tend to give the relief which some of us think we should have. I could not go any further than that. It is a question whether they have the right to do this or whether they have not the right. That is not for me to say.

The CHAIRMAN. Do you know of any Members of the present Congress that they have attempted, specifically, to influence?

Mr. DOUGLAS. I do not.

The CHAIRMAN. Now, how about the chamber of commerce?

Mr. DOUGLAS. Well, you must remember, gentlemen, that the foreign steamship interests are represented here by men of learning, gentlemen of the highest attainments, and of great business astuteness. Those men belong to the chamber of commerce, as a rule. They also belong to the Merchants' Association. They go to the National Board of Trade meetings. They belong to the Board of Trade and Transportation and other such bodies in the city of New York.

Those men are there, you might say, for the same object that I am—to sustain bodies of that kind. They use their right and prerogative, and when questions come before those bodies, either approve of them or disapprove of them. It has been my experience, as a member of all those bodies, that wherever anything came up that tended to interfere in the slightest degree with the grip which the foreign steamship owner has got on this port and the ports of this country, that they had men there to represent their side of the question. I do not say that those men were not rightly there. They were members of those bodies, and had as much right as I have. As members, if they chose to oppose any measures advocating American shipping, they were within their rights in doing so. That is what I wanted to make clear in that paragraph; and it is unquestionably so.

The CHAIRMAN. Well, in this particular paragraph there is this statement:

Within the chamber there are more than fifty men who might be described as commercial Tories. While appearing to be patriotic Americans, they are secretly allied with a monopoly whose supremacy is hostile to American interests.

Will you tell me what you meant by that?

Mr. DOUGLAS. I did not use the word "Tories," as I remember. But, for instance, presuming a man is the manager of the Cunard Steamship Company in New York, and he is also a member of the chamber of commerce. Naturally, if resolutions are being passed there which differ from his views as to what is best for this country, he, thinking naturally it is best that the Cunard Line and others should be supreme, will use his right to oppose those measures in that chamber; and this has been done repeatedly.

I disclaim any discourtesy to those gentlemen, but the fact remains that that has been persistently done for years, as I say, in not only that body, but in other large bodies here. It is not for me to criticise their joining such bodies, or to say that they joined them for that sole purpose.

The CHAIRMAN. You spoke of 50 members of the chamber of commerce. Can you name any of those gentlemen that we can ask to come before this committee to give us any information in regard to the matter?

Mr. DOUGLAS. Well, it would be very easy for you gentlemen to pick out those names. For instance, Mr. Schwab is chairman of one of the most important committees in the chamber of commerce to-day. He is also the agent of the North German Lloyd Steamship Company.

Mr. GARRETT. Is he an American citizen?

Mr. DOUGLAS. I could not answer that question. I do not know. He was not some years ago, I think. Whether he is now or not I don't know.

The CHAIRMAN. Well, now, this expression occurs in this article:

The time has come when the truth must be known. One of the chief reasons this country is at the mercy of the foreign steamship companies is because, through the most insidious methods, they have set us fighting among ourselves. Take, for example, the way this foreign-owned monopoly has confounded that most estimable institution, the New York Chamber of Commerce. Realizing the voice of the chamber would have a potent influence among the law-makers in Washington, it managed to throw its members into confusion. It accordingly became powerful inside of the chamber. Through a like number of gentlemen who are affiliated with it in business and who feel obliged, for business reasons, to follow its dictates, it entered the committees, talked in the debates, and in other ways made its influence felt.

Now, can you tell me just what you meant by that? Did you mean that it entered the committees of Congress?

Mr. DOUGLAS. No; I do not think it has anything to do with Congress. I do not think that statement has anything to do with Congress, Mr. Chairman.

The CHAIRMAN. Well, what do you mean—provided this is a correct quotation from what you said to the reporter? What do you mean by saying that: "This foreign-owned monopoly has confounded that most estimable institution, the New York Chamber of Commerce?"

Mr. DOUGLAS. Well, it is very difficult to elucidate a question of that kind more than I have. I have endeavored to make it plain to the committee that the gentlemen who represent the alien steamship interests have, with perfect propriety, become prominent in those institutions, or those organizations rather, and they are or have been members of the committees of those organizations, and they therefore are able to perhaps queer resolutions which may be introduced if they do not agree with the idea advanced of what the American nation should do toward building up their decayed shipping. I do not care to impugn the motives of those men, but the statement as it stands is correct.

The CHAIRMAN. Then you say:

But so cunningly does this trust operate that it renders it almost impossible for you to tell the patriot from the tory—the man who opposes you out of loyalty to his country and he who pretends to work for American interests while at heart serving the enemy.

Mr. DOUGLAS. Well, all these gentlemen entirely disclaim anything but a difference of opinion while standing on their justifiable rights as American citizens. If they are differing from any other man in regard to any theory he advances along the line of benefiting our shipping, you can not criticise that. Some man may say that he thinks we are better off as we are, employing foreign ships rather than having them built and manned and sailed under the American flag. He has a right to that opinion, and has a right to state it in the chamber of commerce or anywhere else. I may think that if he is an agent of an alien steamship line it is bad taste for him to make that statement in an American organization, but that is a question of personal opinion again.

The CHAIRMAN. Well, I know; but in this interview you certainly meant to seriously adversely criticise a good many of the men who were members of the chamber of commerce, did you not?

Mr. DOUGLAS. No; I disclaim any such intent. I am only giving you gentlemen the facts in that interview. I am not criticising them any more than I am criticising them before you.

The CHAIRMAN. Are many of the members of the chamber of commerce men who are not citizens?

Mr. DOUGLAS. Oh, no; only a small percentage; a very small percentage, but I think most of the prominent men identified with the alien steamship interests of New York City are members of those bodies; a great many of them.

The CHAIRMAN. You have mentioned the Hamburg-American Line; you have mentioned the North German Lloyd Line; and you have mentioned the White Star Line. Who, if you recollect, is the most active man connected with the White Star Line that is a member of the chamber of commerce?

Mr. DOUGLAS. Well, I am not sure who represents—not represents, but who is a member from the White Star Line. I think that several of the head men in that office are. I do not like to mention names, if they are not. But I could give you the names, if they are there, very readily, by looking at a list of the members of the chamber of commerce. I only mentioned those steamship lines because they are prominent, but you take the freight lines and the same thing applies.

The CHAIRMAN. What do you mean by the freight lines?

Mr. DOUGLAS. Such lines as run to Africa; such lines as run to Australia, to China, to Japan.

The CHAIRMAN. How about South America?

Mr. DOUGLAS. The same thing applies.

The CHAIRMAN. In the course of your business you have had a great deal of shipping to South America, have you not?

Mr. DOUGLAS. Yes; we do.

The CHAIRMAN. Will you tell me how you ship? Do you ship directly, or via Liverpool?

Mr. DOUGLAS. We ship direct entirely, practically.

The CHAIRMAN. By the Lamport & Holt Line?

Mr. DOUGLAS. Yes. There are half a dozen lines running down there.

The CHAIRMAN. How about your mail?

Mr. DOUGLAS. Well, the mails we send a great deal by Europe, and quite considerably direct by the boats. If you get a fast boat, it is about six of one and half a dozen of the other. The time is about the same.

The CHAIRMAN. Would you say, as a merchant, that the facilities to ship between here and South America are adequate in going directly from this port to South American ports on the east side of South America.

Mr. DOUGLAS. I have noticed in some of the hearings that that question has been asked, and that certain people have stated that it was adequate. It is only adequate to this extent: That there are ample facilities, beyond doubt, to ship; but you have to ship according to the combinations which exist, following their rules and regulations as to rates. There is no elasticity, there is no competition, and the merchant is absolutely throttled in any possible opportunity that he might have to show independence.

I consider, therefore, that while the facilities are adequate, the condition is absolutely beyond the English language to convey, in so far as American interests are concerned.

Mr. LONGWORTH. What do you mean by the "combinations?"

Mr. DOUGLAS. All these different lines are under different combinations together. I do not believe there is a country in the world that we ship to, of any extent, that is not absolutely controlled by alien steamship interests, who have their combinations, and who arrange their rates and handle our American shipping as suits their own pleasure.

Mr. LONGWORTH. Suppose you are going to ship to South America; do you go to the office of any particular line to get a rate?

Mr. DOUGLAS. In many cases you ship in accordance with boats that may be going, no matter what the line may be. There is very little competition. At the present time there exists some competition in South America; but all the competition which has existed in this port for many years is simply a competition based on some other line trying to work its way into the business and which exists through the ambition of some steamship owner on the other side; and to secure a share of the trade, as soon as they have accomplished that purpose, why they become a part of the combination, just the same as our trusts manage it in this country.

Mr. LONGWORTH. Do you know how or where those rate agreements are made?

Mr. DOUGLAS. Well, they are mostly made on the other side. Of course the people here are simply the servants of the steamship owner in Hamburg, London, Liverpool, and elsewhere.

Mr. LONGWORTH. In addition to making a general rate, do they give rebates?

Mr. DOUGLAS. They did; but for various reasons that has been largely done away with; they have been afraid of the law, I understood, and at present there is very little of that being done.

Mr. LONGWORTH. You think, then, that you are on the same basis as any other shipper?

Mr. DOUGLAS. I hope so; although I question it in many instances. I have no protection, if I am not.

Mr. LONGWORTH. You find, as a general rule, that the rate is exactly the same on these various lines?

Mr. DOUGLAS. They claim to treat all shippers alike.

Mr. LONGWORTH. I was speaking as to the rate on the different lines, so far as you are concerned, on any given shipment. Can you get a better rate on one line than another, or is there a general similarity?

Mr. DOUGLAS. Just at present, in South America, there is some competition.

Mr. GARRETT. How long has that existed?

Mr. DOUGLAS. You mean these combinations?

Mr. GARRETT. No; this competition.

Mr. DOUGLAS. In South America?

Mr. GARRETT. Yes.

Mr. DOUGLAS. Well, it has been in existence for some years. These people will get together and there will be another line trying to force itself in, and that line has to be driven off or has to be taken in. Just at present there has been a little competition with one of the lines—for about a year or a year and a half.

Mr. LONGWORTH. I was speaking generally, in the ordinary course of business. Do you get a better rate on one line than another, or are they all substantially the same?

Mr. DOUGLAS. No; they schedule their rates in accordance with the goods. That is, they classify them.

Mr. LONGWORTH. Yes. What I am trying to get at is whether there is any particular advantage in shipping on one line, on the general average, than on another?

Mr. DOUGLAS. Not very material, no; unless the competition is very keen. There is not, even to-day, in South America, although there is competition. The parity of rates is pretty close.

The CHAIRMAN. How many lines are there that run from here down to South America?

Mr. DOUGLAS. There must be five, I should say.

The CHAIRMAN. Are they all in a combination?

Mr. DOUGLAS. I understand they are pretty well combined, except one line.

The CHAIRMAN. What is the name of that line?

Mr. DOUGLAS. I think the Houston Line is outside of the combination at present.

Mr. GARRETT. What flag does that sail under?

Mr. DOUGLAS. The English flag.

The difficulty is that they are enabled to tie their boats up to a large shipper here for any one commodity; and then anyone who desires to ship the same goods is practically shut out, barred from shipping at all to those ports, or has to pay a higher rate. That has been done, probably may be done to-day for all I know. It has happened many times.

Mr. LONGWORTH. Do you think that, as a rule, the rates are excessive or reasonable?

Mr. DOUGLAS. Rates are always excessive when they are not competitive and when the merchant's prerogative to ship as he pleases is taken away from him.

I will explain that by saying this: That these lines are so powerful that merchants in New York are absolutely in their hands, and if you choose to endeavor to protect yourself by loading for those ports, you will probably be penalized and punished for your, you might say, independence of action, which condition shippers are not able to contend against; and therefore they accept the situation.

Mr. LONGWORTH. What do you mean by "penalized and punished" there?

Mr. DOUGLAS. Well, there are so many ways of punishing a man in the shipping trade that it is a difficult question to answer. You might find that the rates were rather higher to you without knowing it. You might find that their vessels were usually full on a given commodity when you applied for room. You might find numerous conditions which would be somewhat difficult and unpleasant to have to meet.

Mr. LONGWORTH. Would you say that, in general, the rates on these foreign lines for an American shipper were excessive?

Mr. DOUGLAS. On the average, yes. I would illustrate that by stating that to-day Canada, with an enlightenment which I wish our country had, has taken upon herself to foster Canadian interests and has started lines in various directions; and the rates from Canada are very much lower to places where she now has these lines than are the rates of the lines here, by a very heavy percentage.

These lines are not here to carry our goods for love. They naturally get all they can out of us. I have no fault to find with that as long as they are here.

The CHAIRMAN. Do you mean to say that from Canadian ports—the St. Lawrence, for instance, the Gulf of St. Lawrence—

Mr. DOUGLAS (interrupting). Montreal and St. Johns.

The CHAIRMAN (continuing). Goods can be sent cheaper to South America than from here?

Mr. DOUGLAS. No; because there is no line to South America. But they can be to Australia, New Zealand, the West Indies, and, usually, to South Africa.

The Canadian government, I am told, intends to start a line to South America in the spring.

The CHAIRMAN. You mean a governmental line?

Mr. DOUGLAS. Well, those lines are subsidized in some way. The government contributes toward the running of the line.

The CHAIRMAN. Do you know how that subsidy is given?

Mr. DOUGLAS. By contracts. They ask for tenders, and specify the sailings, speed of ships, and so forth, and they then contract with any line—that is, any British line; of course, they could not contract

with any other line—that will carry out the contract, which, of course, is published, and the line is run on that basis. And they pay them so much money per steamer or per year.

The CHAIRMAN. In other words, just for the sake of running their vessels at such and such a tonnage, and at such and such times, the Canadian government gives so much money for the sake of having that line between Canadian ports and other ports, whether in the Kingdom of Great Britain or elsewhere?

Mr. DOUGLAS. Exactly.

Mr. LONGWORTH. And the effect of that arrangement is to give a lower rate, generally, to the Canadian shipper than the corresponding rate to the American shipper?

Mr. DOUGLAS. It has been so, since they started those lines, which is within the last three or four years.

Mr. GARRETT. Have you studied that Canadian shipping enough to know whether, independent of the subsidy, those lines are profitable?

Mr. DOUGLAS. I should judge that, independent of the subsidy, they would not have been put on.

Mr. GARRETT. The question is whether they are profitable, independent of the subsidy. Do you know how that is?

Mr. DOUGLAS. I presume that, had they been profitable, or had it been possible to run those lines without the subsidy, those steamship owners would have put those lines on; and therefore, by inference, as they did not, I judge they were not profitable. That is the only way I can answer it.

Mr. GARRETT. So the subsidy taxes the whole Canadian people for the benefit of those shippers?

Mr. DOUGLAS. If you choose to put it that way.

Mr. GARRETT. What is your suggestion, Mr. Douglas, of a remedy for the conditions that exist here? How can this combination be broken up?

Mr. DOUGLAS. That answer would take, perhaps, longer than the committee would be prepared to give me to reply.

Mr. GARRETT. Do you think that subsidizing a line of ships would do it—in a few words?

Mr. DOUGLAS. I think we must have American shipping or it never can be done. Put it that way.

Mr. GARRETT. How do the rates compare from here and from England and from Germany, and so on? Have you compared those rates?

Mr. DOUGLAS. Yes; at times they are very much in excess; and there have been short periods where—

The CHAIRMAN. You say “very much in excess.” What do you mean? Do you mean on our lines or the lines that run from here?

Mr. DOUGLAS. Yes.

The CHAIRMAN. They are very much in excess of those from England and Germany, and so on?

Mr. DOUGLAS. On the average they are; yes.

Mr. HAWLEY. What percentage of excess?

Mr. DOUGLAS. It is somewhat difficult to make those statements with accuracy by reason of the fact that the goods which go from the different countries are not always identical; but you take the heavy goods, the hardware lines and that class of goods, and it often will run from 15 to 25 or 30 per cent higher.

The CHAIRMAN. That is, being shipped from the United States to South America than from Southampton or Bremen?

Mr. DOUGLAS. From Germany; yes.

The CHAIRMAN. From Germany?

Mr. DOUGLAS. Yes; from Germany to other countries. We have at times—and it has been very boastfully stated, I think, before this committee—had rates that were lower. That has been true. But that has only been because the Germans and the English and others were fighting for the American trade, and therefore during that fight of course rates would be indiscriminately cut, but it would not last long.

The great difficulty is the fact that the American manufacturer and merchant is at a decided disadvantage, because the rates that he may pay are framed for him by interests abroad which this country has no control over. And therefore if you are quoting, for instance, on 10,000 tons of steel rails or goods of that character—I merely use rails as an illustration—for shipment to a foreign country—I leave Europe out always in talking, because that is a different problem altogether—these foreign interests can practically make a rate, as they are in combination, from Hamburg, Liverpool, London, or from New York, and in many cases can throw that order anywhere they please at any time they please, and it has been done repeatedly.

You might ask why the American merchant is not able to change that condition. The reason is because even if he can charter to carry his own goods he is not able to secure the balance of freight to go with those heavy goods which would enable him to load a steamer or steamers to advantage, whereas the lines here of course can pick and choose all classes of cargo and therefore secure a rate, at least secure advantages which enable them to make a rate which would be very much less than an outsider could charter a full boat for for any one class of goods.

Mr. LONGWORTH. Is that fact that you speak of now, for instance, as to how or on what line these goods are to be carried, determined abroad or determined here in New York?

Mr. DOUGLAS. It is nominally determined here, but actually determined abroad. These agents in many cases are absolutely dependent on instructions they receive from abroad. They do not tell me that they send a cable at night when they give me a rate the next morning, but I know the cable goes. They have very little authority here on this side.

Mr. GARRETT. What are those lines going to South America?

Mr. DOUGLAS. There are five or six of them that run there. Norton & Son have a line; there are the Barber boats; the Houston people have boats, and Gerhart and the Lamport & Holt Company have boats, and there is one other line that I do not remember now. There is also a presumably independent line, which was subsidized by the Brazilian Government, which loaded steamers in that direction.

The CHAIRMAN. That is usually called the Brazilian Line?

Mr. DOUGLAS. I believe so.

Mr. GARRETT. Where is the ownership of those lines? Are they owned by American citizens or are they owned by foreign subjects?

Mr. DOUGLAS. I do not think an American citizen owns a dollar in any one of those lines.

Mr. GARRETT. Take the Lamport & Holt Line. Do you think that is wholly owned abroad?

Mr. DOUGLAS. I do.

Mr. GARRETT. Is that a corporation or a firm?

Mr. DOUGLAS. I think it is a firm.

Mr. GARRETT. A British firm?

Mr. DOUGLAS. Well, they have affiliations on the other side. I think it is largely owned on the other side—the steamers.

Mr. GARRETT. You think, then, that foreign citizens own all lines that ply between here and South America?

Mr. DOUGLAS. Practically; yes.

Mr. GARRETT. Well, now, what about this North German Lloyd Line?

Mr. DOUGLAS. That is a European line.

Mr. GARRETT. Is that owned abroad or here?

Mr. DOUGLAS. I understand it is entirely owned abroad.

The CHAIRMAN. That is the one with which Mr. Schwab is connected?

Mr. DOUGLAS. I understand so, although he has recently retired on account of his health. He is no longer so active.

The CHAIRMAN. We have subpoenaed him, as a matter of fact, but have heard that he has been very ill. He did not come down to Washington on that account.

Mr. DOUGLAS. Yes.

Mr. GARRETT. In a general way, before this committee and before all committees that have had anything to do with this question there have been expressions about the foreign steamship lines, yet there is testimony indicating that a good many of these lines are really owned by Americans, though sailed under a foreign flag.

Mr. DOUGLAS. I would like to hear the testimony. I do not know of any such lines.

The CHAIRMAN. I think that was largely in regard to the White Star Line.

Mr. DOUGLAS. You mean, under the Morgan combination?

The CHAIRMAN. Yes.

Mr. DOUGLAS. You can call that owned by Americans, if you choose.

The CHAIRMAN. The Atlantic Transport and the American Line are all under the general combination?

Mr. DOUGLAS. They are all under the combination, as I understand it, which was financed by the Morgan firm; but I do not look upon them as any more American lines than the German boats which fly the German flag or the English boats which fly the English flag. I do not believe they are. Their interests are German. Their interests are English.

Mr. LONGWORTH. You mean that they do not give any advantage to an American shipper over a foreign shipper?

Mr. DOUGLAS. I do not think they should, even if they were American lines.

Mr. LONGWORTH. You mean, though, that they do not?

Mr. DOUGLAS. I mean that they are absolutely, I think, run in combination and under agreements with the other alien steamship lines. I think that it would be useless to call them American in any sense of the word. It would be a misnomer.

Mr. GARRETT. American lines would do that same thing, would they not, unless they were very carefully guarded by law?

Mr. DOUGLAS. You mean they would combine?

Mr. GARRETT. Yes.

Mr. DOUGLAS. Well, we will presume that they would do so; but they would be under American law, and such combinations would have to be very carefully manipulated. The law could reach them.

Mr. GARRETT. Suppose the Government should take the amount that was proposed to be put in the subsidies and build a line of ships and run them itself?

Mr. DOUGLAS. Governments do not do those things.

Mr. GARRETT. No; I know they do not. But suppose they should?

Mr. DOUGLAS. Well, I do not think they will.

Mr. HAWLEY. You were formerly a Member of the House of Representatives, as I understand it?

Mr. DOUGLAS. I was.

Mr. HAWLEY. While you were a Member there, were there any representatives of the foreign steamship lines in Washington looking after legislation relative to shipping subsidies or other legislation affecting the merchant marine?

Mr. DOUGLAS. I think undoubtedly there were.

Mr. HAWLEY. Did you meet any of them, or did you know of the names of any?

Mr. DOUGLAS. I hardly think they would have interviewed me.

Mr. HAWLEY. Well, I suppose not. I thought you might have learned of their names.

Mr. DOUGLAS. I only remember one case, where there was some kind of bill regarding landing charges on the other side; and I think that the lines running to Europe had some representative down there—I forget his name, but he spoke to me about it a number of times. I think it was perfectly legitimate in that case. I think they had a right to know what law we were going to pass and to look after their interests.

Mr. HAWLEY. Did you know of any fund of money being raised in New York or elsewhere along the Atlantic coast for the purpose of maintaining a representative there and furthering the interests of these foreign companies?

Mr. DOUGLAS. I did not. That is, if I had I would have disclosed it long ago. There would not have been any question of timidity on my part. I have been seeking knowledge along these lines that you gentlemen are investigating for a number of years. But you know that it is impossible almost to find out a fact of that kind—that money has been spent freely, in large amounts, by the alien steamship interests here, to foster, you might say, a sentiment against American shipping, I believe, firmly.

Mr. HAWLEY. How do they spend that money, in your opinion?

Mr. DOUGLAS. It has been spent in having prepared articles for papers, which have been freely circulated throughout the United States, and very liberally printed; and it has been spent in looking after legislation, I think, by having men employed who were paid salaries, probably, and in newspaper advertising.

Mr. HAWLEY. Do you know of any such employee?

Mr. DOUGLAS. That is where I fall down, because it is impossible to get those facts. If I had known them I should not have hesitated to disclose them when I was in Congress.

Mr. HAWLEY. Did you ever learn of any money being expended there by the foreign shipping companies, through their agents, in any way, in Washington?

Mr. DOUGLAS. Not in any way that was not justifiable. I must agree with, I think, the statement made by Mr. Barber before this committee, in which he said that he thought that the foreign steamship interests had a right to protect themselves, and if he had an opportunity to so protect himself he would do it. I think he made some such statement.

Mr. HAWLEY. That was not the question I had in mind, about the right. The question was as to the fact: Whether, in your knowledge, money had been used for purposes, in Washington, relative to shipping subsidies?

Mr. DOUGLAS. Will you make that a little clearer? You mean whether they had a man under their pay in Washington?

Mr. HAWLEY. Or, for instance, whether they have given dinners, or used other means of getting men together and talking with them, or have maintained a representative there?

Mr. DOUGLAS. I do not know of any dinners; but I do not think there is any doubt that they may have had men that have watched legislation for them in Washington.

Mr. LONGWORTH. Did you ever know or hear of any case where any money was spent by any foreign shipping line in a congressional campaign for or against any congressional nominee?

Mr. DOUGLAS. I did not.

Mr. LONGWORTH. Did you ever hear of any such case?

Mr. DOUGLAS. No; I have never heard of such a case.

Mr. HAWLEY. Do you know whether these companies have contributed to political organizations?

Mr. DOUGLAS. I never knew of such contribution.

Mr. HAWLEY. Either by the companies themselves or by any man in their employ?

Mr. DOUGLAS. No; I know of no such contributions.

Mr. LONGWORTH. Did you ever know Mr. Wilber when you were in Washington?

Mr. DOUGLAS. I think I have met him.

Mr. LONGWORTH. You knew that he was a member of the Associated Press?

Mr. DOUGLAS. I have heard since that he was so employed.

Mr. LONGWORTH. You did not know it at the time?

Mr. DOUGLAS. I met him, I think, only on a few occasions; but I did not know it.

Mr. LONGWORTH. Did you know that he was in receipt of a salary from any foreign shipping interests?

Mr. DOUGLAS. Not until it came out in the investigation.

Mr. LONGWORTH. Did you know of any other man in a similar position?

Mr. DOUGLAS. I did not.

Mr. LONGWORTH. Have you ever heard of any since?

Mr. DOUGLAS. I have not.

Mr. HAWLEY. In these articles that you mention being scattered through the country, do you know whether any of them were sent out by the steamship companies directly?

Mr. DOUGLAS. I could not give any facts to warrant the statement that they were.

Mr. HAWLEY. You do not know whether they sent them out in their advertising matter?

Mr. DOUGLAS. I would not imagine it would be done in that way.

Mr. HAWLEY. What papers were these articles printed in?

Mr. DOUGLAS. For many years in the New York papers, and in the East and West you would find articles of that character. Of course, many of them may have been articles by the editor, who believed in principles which he enunciated in his paper. It is impossible to follow those things up very closely.

Mr. HAWLEY. But I understand it is your opinion that these companies furnished a great deal of material for the press?

Mr. DOUGLAS. I have always understood that they did.

Mr. HAWLEY. As paid matter or news?

Mr. DOUGLAS. I have no knowledge of that.

Mr. LONGWORTH. Have you any suggestion to make, Mr. Douglas, as to any line of information that we might obtain that we have not so far obtained?

Mr. DOUGLAS. Well, I have understood, of course, that the scope of the committee's investigation was somewhat limited; and along that line I am frank to say that I could not make any suggestions.

Mr. LONGWORTH. Well, it is very broad. It is a full investigation of the whole question, as to whether or not any corrupting influence of any kind has been used for or against any legislation to do with ship subsidy.

Mr. DOUGLAS. Well, the statement I have made in connection with matters that you have questioned me regarding did not go, in any case, so far as to say they were of a corrupting character. I have to confine myself to generalities, based on such facts as are generally current, and presumably correct.

Mr. LONGWORTH. Possibly I ought not to have used the word "corrupting." The question is as to whether or not a lobby exists or has existed.

Mr. DOUGLAS. Well, it is a question, as I said at the beginning, it seems to me, entirely whether agents or owners of steamship lines that are owned abroad have the right, on American territory, to adopt such methods as they think desirable to look after their interests. I think it comes right down to that crucial point—whether it is good taste or whether it is not.

Mr. HAWLEY. We are interested in finding out the fact whether they have used such methods, and what methods they have used. The committee will then submit it to the judgment of the House, upon its merits, as to any ethical question involved. I think the scope of the inquiry is wide, in that way.

While you were a Member of Congress, or since, do you know of any man who was supposed to be in the employ of these companies who looked after their interests at Washington, directly or indirectly?

Mr. DOUGLAS. I do not.

Mr. HAWLEY. We have heard a great deal during the process of this inquiry about such men having been employed, and we have, as

in your case, questioned gentlemen who appeared before the committee, endeavoring to locate one or more of them, but they are very elusive individuals.

Mr. DOUGLAS. Well, I do not think the general merchant or shipper from New York would be able to give you any information. It seems to me that it is up to the gentlemen who have been accused of employing these men to deny it or admit it.

I am very sure I could employ an agent in Washington, and unless I admitted it myself nobody would know anything about it. If I chose to employ a man to look after my interests, it would be a perfectly legitimate thing for me to do. I am not criticising these gentlemen, if they have done so.

Mr. HAWLEY. If we were informed as to the name of any man who was so employed, the committee would take the responsibility of bringing him before it and questioning him. We desire to find out the names of such individuals.

Mr. DOUGLAS. I would give you the names at once, if I knew any one of that kind.

Mr. HAWLEY. Did you read Mr. Boas's testimony?

Mr. DOUGLAS. I did not.

The CHAIRMAN. Mr. Douglas, I would like to ask you this: With your knowledge of the steamship business and the foreign interests, do you know anything in regard to the advertisements in the papers in what was called yesterday the Middle West—States between, we will say, the Allegheny Mountains and the Mississippi River? Do you know anything particularly in regard to these advertisements, whether there was an undue proportion of advertising to any one part of the country rather than the other?

Mr. DOUGLAS. The gentleman that testified yesterday, and whose statement I read in one of the papers, gave you all the facts I could on that point. There is no question that advertising has been freely used, but it seems to me—

The CHAIRMAN. Just in the regular line of business?

Mr. DOUGLAS. It was justifiable to advertise in a paper. I do not for a moment go so far as to say it influenced the action of that paper in anyway.

Mr. HAWLEY. In your opinion, was the advertisement excessive? That is, was the business to be derived from that particular advertisement sufficient to justify the cost of its insertion?

Mr. DOUGLAS. I do not think I would be qualified to answer a question of that kind.

The CHAIRMAN. Do you know anything about a conference of alien steamship lines that is held here periodically, once a month or so?

Mr. DOUGLAS. Oh, I think that they are held almost every day. They do not wait for a month. I think all these lines have their conferences continuously.

The CHAIRMAN. Do you think that there are any of the combinations of foreign steamship lines that are doing anything that is improper or anything more than the mere advancement of their business, and the attempts to get as much business as they possibly can?

Mr. DOUGLAS. Well, it simply goes back to the question of ethics. I do not think, personally, that they are. I think they are here, and they have interests to look after, and I do not see any reason why they should not look after those interests in a proper way.

The CHAIRMAN. But you do not know of the raising of any corruption fund or funds to influence the election of specific and particular Members of Congress in any particular locality, do you?

Mr. DOUGLAS. I never heard of any such thing; no, sir.

The CHAIRMAN. I would like to ask you this: Can you think of any witness we could call or any way in which we could get information under the scope of this resolution that would benefit this committee in getting at the real facts?

Mr. DOUGLAS. Well, if you have asked the information from the leading European lines and from the agents of the leading lines which run to, you might say, the far countries of the world, and they have not given it to you, I do not see how you are going to get it.

Mr. HAWLEY. Mr. Douglas, occasionally outside information, of the men engaged in business such as yours, intimately associated with shipping matters, gives us the basis upon which to ask questions that discover much information.

Mr. DOUGLAS. I would be very glad to give you anything that I could along those lines, but I think it is up to those gentlemen to state whether they employ men or whether they do not.

Mr. GARRETT. I wanted to ask, in order to get it clearly stated on the record, what steamship lines or companies sailing between here and South America there are that belong to this combination.

Mr. DOUGLAS. I think they are all in the combination except the Houston, which runs to the River Plata and Montevideo.

Mr. GARRETT. Please name the other lines.

Mr. DOUGLAS. There is the Gerhardt Line—I think there is a line that Norton & Son are agents for—there is the line that Barber & Co. are agents for, there is the Lamport & Holt Line, and then there is the Houston Line. There may be one other.

Mr. GARRETT. What flag does the Lamport & Holt sail under?

Mr. DOUGLAS. The English flag.

Mr. GARRETT. And what flag does Gerhardt sail under?

Mr. DOUGLAS. All the lines mentioned sail under the English flag, I think.

Mr. GARRETT. What is the difference in distance between New York and European ports to the South American ports, and which has the advantage in distance?

Mr. DOUGLAS. I think there is a slight advantage from the European ports. It is not a very heavy advantage; I don't know how many miles it is.

Mr. LONGWORTH. They are better steamers, are they not, generally speaking?

Mr. DOUGLAS. There are better steamers running from European ports and worse steamers. Of course they have the fine Royal Mail lines; and then they have a multiplicity of steamers carrying all classes of freight, running from Germany and England to South American ports. We have no distinctive mail lines running from the United States to South America.

Mr. GARRETT. That is one thing I want to know about—the mail line. You say you send a great deal of your mail via Europe?

Mr. DOUGLAS. Yes; to South America and Africa. The boats which run straight to Africa from our country are poor boats; that is, slow boats.

Mr. GARRETT. What portion of your mail to South America do you send by Europe?

Mr. DOUGLAS. Possibly 40 or 50 per cent.

Mr. GARRETT. Is that the rule among the firms generally that do business to South American ports?

Mr. DOUGLAS. It probably is. To Africa it would be a larger percentage.

Mr. GARRETT. I was speaking particularly with reference to South America. Do you think 40 per cent of the mail that goes from here to South America is sent by Europe?

Mr. DOUGLAS. I would not like to speak for others, but we send a large portion of our mail that way.

Mr. GARRETT. As much as 40 per cent?

Mr. DOUGLAS. I would hazard that without making it a positive statement. I could easily verify it by looking it up.

(NOTE.—Likely not over 20 to 25 per cent of mail to South America via Europe.)

Mr. GARRETT. Are you an importer?

Mr. DOUGLAS. An exporter only.

Mr. GARRETT. What is the rule among importers in regard to mail to South America?

Mr. DOUGLAS. That is more difficult to say, but I should judge that a large portion of their mail would go by Europe.

Mr. GARRETT. What is your firm?

Mr. DOUGLAS. Arkell & Douglas (Incorporated).

Mr. CHARLES CAMPBELL. Mr. Chairman, I take it that you are receiving information from practical men in this business, and therefore I would like to state to you and your associates that there is a gentleman here, an American by birth, who probably owns more vessels, or is interested in more vessels, than any other ten men combined. He has been raised in the business since infancy. I refer to Mr. Field S. Pendleton, one of our shipowners here in New York. I do not believe there is a man who could give you better ideas than he can, for he has to compete against the various foreign lines.

The CHAIRMAN. Mr. Pendleton will be summoned for to-morrow.

TESTIMONY OF JOHN W. DODSWORTH.

John W. Dodsworth, called as a witness for the committee, being first duly sworn, testified as follows:

The CHAIRMAN. Mr. Dodsworth, you reside in New York, I believe?

Mr. DODSWORTH. I reside in Brooklyn.

The CHAIRMAN. And are a citizen of the United States?

Mr. DODSWORTH. Yes, sir.

The CHAIRMAN. And what is your occupation?

Mr. DODSWORTH. I am the managing editor and president of the Journal of Commerce.

The CHAIRMAN. The Journal of Commerce is a daily newspaper published in the city of New York, is it?

Mr. DODSWORTH. Yes, sir.

The CHAIRMAN. And you have published a large number of articles in regard to American shipping and matters akin to that, have you?

Mr. DODSWORTH. Yes. It is strictly a business paper, a commercial newspaper.

The CHAIRMAN. And you are acquainted with the scope of this investigation?

Mr. DODSWORTH. In a general way, yes.

The CHAIRMAN. You know that in a general way you know the resolution under which this committee was appointed, do you?

Mr. DODSWORTH. Yes.

The CHAIRMAN. In one of the early hearings there was a statement made which read as follows:

Marked copies of anti-American editorial and articles of the New York Journal of Commerce are mailed daily to Members of Congress and others in position to aid or to assist in preventing merchant-marine legislation.

Will you tell us whether or not your paper is in the habit of mailing marked copies constantly to Members of Congress?

Mr. DODSWORTH. Not constantly. Several times, perhaps, during a session of Congress on any subject that we are interested in, if anything to say which we think will interest Congress, we mail marked copies. It is always without remuneration: we have never before sent any copies of our papers by any shipping concern either foreign or American.

The CHAIRMAN. Have you never been asked by any of the steamship lines to send any newspapers or any article written to Members of Congress?

Mr. DODSWORTH. Never.

The CHAIRMAN. Have you any relations with the foreign lines other than that they are advertisers in your Journal?

Mr. DODSWORTH. No other relations whatever. I have conversed with a single foreign steamship owner as to advertising in the paper. The policy of the Journal of Commerce is against protection in every form, and always has been previous to consolidation with the Commercial Bulletin. Since then, the Journal of Commerce has inherited the policy of the old Commercial Bulletin. At that time the Commercial Bulletin had no advertising of any consequence from foreign steamships. We purchased the Journal of Commerce, and, being the same men, the Commercial Bulletin was carried right through in the same policy. Now, the Journal of Commerce is a different paper. For the reason it has carried the advertising of domestic and foreign, for a great many years, we have not come to us, we do not change our policy, and we have never had any change in our policy, and we have never had any change in the policy of the paper has taken. The Journal of Commerce has been before the subsidy question, and we have carried it through, regardless of the question. I am trying to make it plain to you that the Journal of Commerce, has absolute freedom of action, and has been long before the public.

Mr. HAWLEY. These companies

Mr. DODSWORTH. Both.

Mr. HAWLEY. A majority are made directly or through some agency?

Mr. DODSWORTH. I am not very familiar with that end of the business. My brother is in charge of that part of the business. I believe the bulk of the advertising is done directly. My brother is in the room, and if you wish to ask him personally he will be glad to answer the question.

The CHAIRMAN. The coastwise steamers advertise in your paper also quite extensively, do they not?

Mr. DODSWORTH. Yes; they do. Not so much as we would like to have them.

The CHAIRMAN. Do you send these articles that are published from the New York Journal of Commerce to other papers?

Mr. DODSWORTH. No; we do not send them to other papers. We have an exchange list.

The CHAIRMAN. What I mean is, is there anything in the nature of syndicate work that is done for your paper as well as others?

Mr. DODSWORTH. Not to my knowledge. We have never cooperated with any syndicate. We have absolutely never consulted anybody in regard to our policy. I am glad to make my affidavit to that.

The CHAIRMAN. And are there articles prepared by anyone connected with the foreign shipping interests that are published in your paper?

Mr. DODSWORTH. No; there are not. Some years ago I wrote a good many of the articles myself, but latterly I have been too busy to do so, and a member of our staff, who is in full sympathy with the policy of the paper, writes most of those articles.

Mr. LONGWORTH. Your paper, I suppose, is a corporation?

Mr. DODSWORTH. It is a corporation; yes. These people advertise in the Journal of Commerce because it is a commercial paper.

Mr. LONGWORTH. Are there any stockholders of your company that are interested directly in shipping?

Mr. DODSWORTH. Not to my knowledge. At any rate, we never consult our stockholders about the policy of our paper. We control a majority of the stock and it is our policy to run the paper as we see fit.

Mr. GARRETT. Do you mean you and your brother control a majority of the stock?

Mr. DODSWORTH. The Dodsworth family.

Mr. GARRETT. Pardon this question. Have you any interest in shipping?

Mr. DODSWORTH. Not a particle, except as a public question; that is all.

Mr. GARRETT. I mean, do you own any stock in any steamship companies?

Mr. DODSWORTH. Not a dollar; I never did.

The CHAIRMAN. What do you know in regard to the steamboat connection between here and South America particularly?

Mr. DODSWORTH. I do not feel that I could add anything to what Mr. Douglas has said. He is an expert, he is in the business and must know a great deal more about that matter than I do.

The CHAIRMAN. Do you understand that there is a combination of foreign steamship lines that practically controls the freight rates between here and South American ports?

Mr. DODSWORTH. I have heard that statement, but I don't know it of my own knowledge.

The CHAIRMAN. Do you have occasion to correspond with South America to any considerable extent?

Mr. DODSWORTH. Not much; no. In fact, very little.

The CHAIRMAN. So you can not testify as to how your mail goes to South American ports?

Mr. DODSWORTH. No; my testimony would not be of any value along that line.

Mr. GARRETT. Is there a similar combination as to the coastwise trade?

Mr. DODSWORTH. I don't know of any combination among the coastwise steamship people. I understand, and the understanding generally is, that they are dominated by the railroads. That is what I have always understood, but I do not know from my own knowledge.

The CHAIRMAN. Do you know anything about this combination between the foreign steamship lines between here and South America?

Mr. DODSWORTH. I have heard it stated frequently just what Mr. Douglas testified in regard to that.

The CHAIRMAN. Do you know anything about a conference that has been held at various times relative to rates? Do you know what is known, for instance, as the Atlantic conference, that has an office at 17 State street?

Mr. DODSWORTH. I have heard of it; yes. I have never been there or attended any of the meetings. I presume that is an association very similar to what a great many other business men have who get together for a common interest.

The CHAIRMAN. Did you ever hear of any fund that was ever raised by foreign steamship companies or by any other steamship companies to influence legislation in Washington at all?

Mr. DODSWORTH. I have seen statements in newspapers, but I have never seen any evidence of it.

The CHAIRMAN. Do you keep a correspondent in Washington yourself?

Mr. DODSWORTH. Yes.

The CHAIRMAN. Is he employed solely by your paper?

Mr. DODSWORTH. Solely by the Journal of Commerce; yes, sir.

Mr. HAWLEY. Have you ever been told the names of any persons or of any single person who represents foreign shipping interests in matters of legislation?

Mr. DODSWORTH. No; I have not.

Mr. HAWLEY. Did you ever hear of any such person?

Mr. DODSWORTH. The only name I have ever heard is the name of that correspondent of the Associated Press who represented the conference in Washington. I do not recall his name now.

Mr. HAWLEY. That appears in the hearings, does it?

Mr. DODSWORTH. It appears in the hearing.

Mr. HAWLEY. Was that Mr. Wilber?

Mr. DODSWORTH. I am not sure whether that was his name or not. I know that he was connected with the Associated Press, and his was the only name that I ever heard mentioned.

Mr. HAWLEY. Your paper is opposed to the shipping subsidy proposition, is it?

Mr. DODSWORTH. Yes; we are. We do not believe in protection, and ship subsidy we consider a pernicious form of protection. Of course that is merely an opinion and not a fact.

Mr. HAWLEY. Do you know of any contributions made by those interested in foreign shipping to the campaigns of any political party?

Mr. DODSWORTH. I have never heard of it.

Mr. HAWLEY. Or of any individual candidate of any political party?

Mr. DODSWORTH. I have never heard of any.

Mr. GARRETT. Is your publication in any sense sustained by private interests—

Mr. DODSWORTH. No.

Mr. GARRETT. It is sustained and supported by subscriptions and advertisements?

Mr. DODSWORTH. Yes. We try to do as you gentlemen do, to run our paper in the public interest.

Mr. GARRETT. Does your paper carry the largest amount of advertising of shipping of any paper here?

Mr. DODSWORTH. I believe we do.

Mr. GARRETT. Why is that? Is there any particular reason for that?

Mr. DODSWORTH. Yes; the reason is that we are the merchants' daily paper. They subscribe to the paper for its business information. The merchants are the men who patronize the ships, and consequently the people who patronize the Journal of Commerce in order to get their patronage. Naturally the shipping interests are with the mercantile community. They advertise with us for business reasons. They wish to keep their ships before the merchants.

The CHAIRMAN. Is there any other statement whatever you can make to us that you think will aid the committee in its investigation?

Mr. DODSWORTH. I was going to make a suggestion, if it is proper.

The CHAIRMAN. We would like to hear you very much.

Mr. DODSWORTH. I presume you are after facts.

The CHAIRMAN. We are.

Mr. DODSWORTH. Have you ever summoned any of the gentlemen who run ships, Americans who run ships under foreign flags?

The CHAIRMAN. I don't know whether we have or not.

Mr. DODSWORTH. The Journal of Commerce is anxious to see an American merchant marine. We did have a very respectable one, but for reasons that are familiar to you, you are aware that we are obliged to hide our shipping interests under foreign flags. There are several respectable concerns running ships, but sailing them under foreign flags for business reasons. Those gentlemen, I think, could give you some very interesting facts.

The CHAIRMAN. Who are the gentlemen that you know of?

Mr. DODSWORTH. There are more than I know of. But take the Standard Oil Company. They own a number of ships and most of

them are sailed under a foreign flag. Then there is the United Fruit Company. It is now running, I think, or used to run, a considerable number of ships under the American flag and also under foreign flags. The Ward Line runs vessels under foreign flags and under the American flag. W. R. Grace & Co. run vessels under foreign flags. If you ask those gentlemen why they prefer to run their ships under foreign flags in preference to the American flag you may get some useful information. The trouble is it costs more to run an American ship than to run it under any other flag. The trouble has been for many years that the United States has been busy building railroads, while Great Britain and Germany and other countries have been building ships. Then, again, American capital and American labor find it more profitable to stay ashore than to go to sea. I think you will find that is the pith of the question.

Mr. GARRETT. Would those gentlemen throw any light upon these particular matters that we are charged with investigating?

Mr. DODSWORTH. I understood one of you gentlemen to say that the investigation was very broad in its scope, and that is the reason I made this suggestion.

Mr. GARRETT. The investigation is very broad, but it hardly goes to the merits of the ship-subsidy question. I think we would agree that it would hardly go that far. The scope is to endeavor to ascertain whether or not there are any improper influences being exercised either for or against merchant-marine legislation of whatever character.

Mr. DODSWORTH. If I knew of any such I would be very glad to give the facts to the committee.

Mr. GARRETT. Of course, the statements that you have suggested those gentlemen would make might go to the merits of the legislation rather than to this question of improper influence.

Mr. DODSWORTH. Yes; I only made that suggestion thinking that your scope might be broader.

Mr. GARRETT. You do not think those gentlemen could give us any information on the question of improper influence?

Mr. DODSWORTH. That I could not say.

Mr. LONGWORTH. Your suggestion was merely as to the question of the merits of the merchant-marine question?

Mr. DODSWORTH. Yes, sir.

Mr. HAWLEY. Do you know of any funds that have been raised at any time or any lobby employed in behalf of ship-subsidy legislation?

Mr. DODSWORTH. I do not. I should be very glad to tell you if I did.

Mr. HAWLEY. Did you ever hear of any such?

Mr. DODSWORTH. I never heard of any.

The CHAIRMAN. Either for or against?

Mr. DODSWORTH. No. The general impression is that if money has been raised at all to influence legislation it has been for ship subsidy rather than against it. So far as I can see, there has been what seemed to me to be a rather remarkable indifference among the shipping men down town here about the subsidy question. I have often been surprised that there was not more interest in the question. Whether that has come from excessive confidence on their part or policy I don't know, but it has always seemed to me that in view of

the serious efforts to establish a merchant marine by subsidies, which would necessarily compete with the foreign lines, that it has been a mystery that there has been so little interest shown. Why it is I don't know.

Mr. GARRETT. Do you suppose that might possibly have grown out of the idea that they were able to take care of themselves?

Mr. DODSWORTH. It is merely a matter of opinion. Principally on account of the confidence in their position, and some of the gentlemen might have thought it was not good policy.

Mr. GARRETT. Do you know anything about the ownership of stock in these lines running to South America, whether any of that is American owned or not? Take the Lamport & Holt Line and the Gerhardt Line and the Brazilian Line; are any of their bonds or stock owned in the United States, or is it all owned abroad?

Mr. DODSWORTH. The majority of those lines, of course, are owned abroad.

Mr. GARRETT. Do you mean the majority of the stock?

Mr. DODSWORTH. I have always understood that that was controlled abroad.

(Thereupon, at 4 o'clock p. m., the committee adjourned until tomorrow, Wednesday, November 30, 1910, at 2 o'clock p. m.)

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HEARINGS

BEFORE

A SELECT COMMITTEE OF THE HOUSE OF REPRESENTATIVES

COMPOSED OF

MESSRS. OLCOTT, LONGWORTH, HAWLEY,
HUMPHREYS, AND GARRETT

TO INVESTIGATE CERTAIN CHARGES UNDER HOUSE RESOLUTION 543

PART 36

WASHINGTON
GOVERNMENT PRINTING OFFICE
1910

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CUSTOM-HOUSE, NEW YORK CITY,
Wednesday, November 30, 1910.

The committee met at 2 p. m., pursuant to the adjournment of November 29, 1910.

Present: Messrs. Olcott (chairman), Longworth, Hawley, and Garrett.

TESTIMONY OF ALEXANDER R. SMITH.

Alexander R. Smith was called as a witness, and, having been duly sworn, testified as follows:

The CHAIRMAN. Where do you reside?

Mr. SMITH. Nepera Park, Westchester County, N. Y.

The CHAIRMAN. Have you any official position now in either the Federal Government or the State Government?

Mr. SMITH. I am secretary of what is called the Barge Canal Terminal Commission, a temporary State commission.

The CHAIRMAN. What is that commission?

Mr. SMITH. It is a commission that has been created by the legislature of the State for the purpose of supplementing the enlargement of the canals with depots for the receipt, storage, and delivery of freight carried upon the canals and the waterways of the State.

The CHAIRMAN. You refer to the new Barge Canal of the State of New York?

Mr. SMITH. Yes, sir.

The CHAIRMAN. Did you ever have any connection with the Merchant Marine League?

Mr. SMITH. Yes, sir. I resigned as superintendent of the maritime exchange in 1905, in August, and went with the Merchant Marine League. I stayed with the Merchant Marine League until April, 1907.

The CHAIRMAN. Where were their headquarters?

Mr. SMITH. In Cleveland, Ohio.

The CHAIRMAN. Did you reside there during that time—during the entire time?

Mr. SMITH. No, sir; I spent about a year and three months there. I traveled for them a great deal.

The CHAIRMAN. What were the duties that you performed for them?

Mr. SMITH. I prepared the literature that they distributed for the purpose of creating sentiment favorable to American shipping.

The CHAIRMAN. Well, how was that literature distributed?

Mr. SMITH. By mail.

The CHAIRMAN. Was it in the form of a periodical from the Merchant Marine League?

Mr. SMITH. No; they did not publish any periodical at that time. They would prepare pamphlets and documents, sheets, leaflets, interviews, statements, and in fact anything that they could get before the public in behalf of American shipping interests.

The CHAIRMAN. To whom were these distributed?

Mr. SMITH. To the newspapers and members of Congress.

The CHAIRMAN. To members of Congress?

Mr. SMITH. Yes, sir.

The CHAIRMAN. And that was done almost entirely through the mails?

Mr. SMITH. Almost entirely through the mail.

The CHAIRMAN. Did you, during your connection with the Merchant Marine League, visit Washington frequently?

Mr. SMITH. Well, I visited Washington a number of times; probably half a dozen times.

The CHAIRMAN. I mean as an agent in any way, or employed by the Merchant Marine League?

Mr. SMITH. Yes, sir.

The CHAIRMAN. What were your duties when you went to Washington?

Mr. SMITH. At the conclusion of my employment with them, which terminated on the 30th of April, 1907—I think it was the 1st of April, 1907, come to think about it—I went to Washington in February of that year, by direction of that league, for the purpose of doing anything I could to aid in the passage of the Gallinger bill, then pending; not in the way of asking Senators or Representatives to vote for the bill, but to be ready to furnish any information that I had to anybody who desired it.

The CHAIRMAN. Did you appear before congressional committees in either of the Houses of Congress?

Mr. SMITH. I have frequently done so; yes. I did that while with the Merchant Marine League; I appeared before the Committee on Merchant Marine and Fisheries of the House of Representatives.

The CHAIRMAN. Did you appear before any of the Senate committees?

Mr. SMITH. I have appeared before them so many times that I do not recall whether I appeared before them while I was in the employ of the Merchant Marine League or not.

The CHAIRMAN. Were you at that time advocating the passage of a particular bill?

Mr. SMITH. Yes, sir; the Gallinger bill.

The CHAIRMAN. The Gallinger bill?

Mr. SMITH. Yes.

The CHAIRMAN. As originally introduced by Senator Gallinger in the Senate?

Mr. SMITH. Yes. It was a bill that was brought out by the Merchant Marine Commission, of which he was chairman.

The CHAIRMAN. Was that same bill introduced in the House of Representatives?

Mr. SMITH. Yes, sir; by Mr. Grosvenor.

The CHAIRMAN. Were hearings had before Mr. Grosvenor's committee?

Mr. SMITH. Yes, sir.

The CHAIRMAN. He was at that time chairman of the Committee on Merchant Marine and Fisheries, was he not?

Mr. SMITH. Yes, sir.

The CHAIRMAN. And when did you say that was?

Mr. SMITH. The Merchant Marine Commission came into existence in 1904, and made its report to Congress in December or January of the succeeding year; that is, December of that year or January of the following year. With the report were the bills that Mr. Gallinger introduced in the Senate and Mr. Grosvenor introduced in the House, and from time to time, in subsequent sessions of Congress, the bills were reintroduced in somewhat modified forms at times, but practically the same measure until more recently.

The CHAIRMAN. You have read the resolution under which this committee was appointed?

Mr. SMITH. I did at one time, but I am not familiar with it now; it has passed out of my recollection.

The CHAIRMAN. Referring particularly to the wording of the resolution, that the committee was directed to report as to the existence and condition of any lobby or lobbies in connection with this subject—of course, that means the entire subject of ship subsidy—as to what funds there are, if any, and the sources thereof, for the support of said lobbies, do you know anything in regard to any lobbies that were or are now maintained in Washington, either for or against ship-subsidy legislation?

Mr. SMITH. No, sir. I know this, that organizations that I have been connected with have from time to time gone to different committees of Congress and endeavored to get bills through that they thought would help the American merchant marine. If such committees were lobbies, then there were lobbies.

The CHAIRMAN. In other words, they employed people to go before committees of Congress?

Mr. SMITH. Well, they went themselves as a rule, but, for instance, I was employed for a number of years by these people; even before I went with the Merchant Marine League I was with a committee of shipowners and shipbuilders for a number of years and did do some work for them during the time Senator Hanna was endeavoring to get legislation helpful to American shipping. Now, I was the only person paid to do that kind of work, and when the committee would

come to Congress I would go with them and do what I could to further that legislation, because I was familiar with the subject, and to that extent, if that was lobbying, I was a lobbyist. That is all there is to it. It was a subject I thoroughly believed in.

The CHAIRMAN. Do you know anything about any people who were employed by any of the foreign steamship companies?

Mr. SMITH. I never knew of any person except a man whose name I have been trying to recollect. I don't recall his name even, but I remember his first name was Claude. He was connected with a congressional information bureau.

The CHAIRMAN. Do you know whether the foreign steamship companies generally had representatives in Washington who in a general way watched legislation on all subjects?

Mr. SMITH. Well, this man was employed for that purpose.

The CHAIRMAN. Have you any idea what his duties were?

Mr. SMITH. No; except as evidence would crop out at times. It is too bad I don't remember his name. For instance, when I was with the New York Maritime Exchange as superintendent, for the period of five years, at one time there were three bills pending in Congress; one to create this merchant marine commission, one for the purpose of requiring the carriage of our war and naval stores in American vessels, and a third bill that I do not recall the title of at this moment. The maritime exchange's board of directors met and passed resolutions in favor of those three bills. There was a hearing before the Committee on Merchant Marine and Fisheries of the House directly after that in Washington, a day or two afterwards, and I was sent down to that meeting of that committee by the maritime exchange for the purpose of favoring the passage of the bill in favor of the appointment of this merchant marine commission, and in consequence of that I went to Washington. On my return to New York a petition had been circulated upon the floor of the maritime exchange the phraseology of which was to the effect that they wanted a special meeting of the exchange for the purpose of censuring the superintendent for advocating the passage of the bill requiring the carriage of all war and naval stores in American vessels. It required a hundred signatures, and they got more than that, and such a meeting was held. I denied that I had advocated such a bill. As a matter of fact, I believed in it, but I had not been sent to Washington for the purpose of favoring that bill, but for the purpose of favoring the bill to create a merchant marine commission; I had gone there to perform that duty, and I performed that duty, and that is all there was to it. At that meeting in the maritime exchange a Mr. Barber, the agent here of foreign vessels, got up before the meeting and read a letter from Mr. Claude—somebody, I do not recall his last name—to the effect that he had met me at the meeting of the Merchant Marine and Fisheries Committee of the House of Representatives, and had asked me if I was in favor of the bill for the carriage of our war and naval stores in American vessels, and that I had said that I was and was going to do all I could in behalf of it. That was a lie.

The CHAIRMAN. Was this Claude somebody that you refer to Mr. Clyde Tavener?

Mr. SMITH. No, sir.

Mr. LONGWORTH. Was it not Mr. Bennett?

Mr. SMITH. Yes; that was his name; Claude Bennett.

The CHAIRMAN. You spoke of Mr. Barber as being the representative of foreign steamship companies?

Mr. SMITH. Yes.

The CHAIRMAN. In Washington?

Mr. SMITH. No; here. He was a member of the maritime exchange, and he was taking a leading part in having this resolution of censure against me as superintendent passed. He was provoked to do this, as I take it, from the letter he received from Mr. Bennett.

The CHAIRMAN. What connection did Mr. Barber have with the foreign steamship companies?

Mr. SMITH. He is the agent of a large number of foreign steamships. I think there is a Barber Line. They are in the produce exchange, right here. There are two Barbers. I forget their initials now, but there are two Barbers active members of the maritime exchange, and I believe of the produce exchange, and they are large operators in foreign vessels and agents for foreign vessels, freight carriers.

The CHAIRMAN. They are what?

Mr. SMITH. Freight carriers.

The CHAIRMAN. And they were members of the maritime exchange?

Mr. SMITH. Yes.

Mr. LONGWORTH. They operate to South America now, do they not?

Mr. SMITH. I don't know. I guess may be they do. I don't recollect about that at the present moment, but I think their agency represents vessels going most anywhere.

Mr. LONGWORTH. They represent an English line, do they not?

Mr. SMITH. Yes; they are agents for an English line. They may have some interest in American vessels; perhaps they have; I don't know that they have. I am quite sure it was Mr. Barber. There was another gentleman, a member of the exchange, by the name of Mr. Gottheil, and those two were the most active in securing this resolution of censure, and it is just possible that it was Mr. Gottheil and not Mr. Barber that did this.

The CHAIRMAN. Was there a resolution of censure passed?

Mr. SMITH. No, sir.

The CHAIRMAN. I do not quite understand why they should have wished to censure you.

Mr. SMITH. Because the active men in the maritime exchange, the more influential men in the maritime exchange—I will not say the majority of the maritime exchange—have foreign connections that are more potent with them than any interest they have in American vessels, and they were not favorable to any kind of congressional legislation that favored American vessels. I had during the period of my superintendency there a great many disagreeable and embarrassing times as the result of my well-known advocacy of American shipping, and I finally withdrew from the exchange on account of that.

The CHAIRMAN. Well, what was this resolution? I mean to say, how was this resolution offered?

Mr. SMITH. A meeting was called by reason of the petition that was circulated, it being according to the by-laws, and several hundred members stood on the floor, and the officers and various members of the board of directors got up and said that they had no

knowledge that I had been advocating the passage of this bill referred to. It was a fact that they had advocated the passage of the bill by a resolution which was adopted, and they said that if any censure was to be given to anybody that they were the ones who should be censured, rather than myself; that all they knew was that they had sent me down there in behalf of this merchant-marine commission, in behalf of the bill to establish a merchant-marine commission; that I had gone down there and performed the duty I was sent to perform and had come back and that is all they knew and that is all there was to it. I never had that conversation with Mr. Bennett.

The CHAIRMAN. You say the most influential members of the maritime exchange in the city of New York are men that are interested largely in foreign steamships?

Mr. SMITH. Oh, yes, sir. I will not say a majority of the exchange members favor foreign shipping, but of the active members of the exchange the foreign interest is dominant.

The CHAIRMAN. Can you tell what the qualifications of membership in the Maritime Exchange of New York are?

Mr. SMITH. That one shall be interested in shipping or matters connected therewith.

The CHAIRMAN. Does it make any difference whether they are interested in foreign shipping or American shipping?

Mr. SMITH. Not a bit. They don't have to be citizens of the United States.

The CHAIRMAN. Are many members of the exchange not citizens of the United States?

Mr. SMITH. I don't know that there are; but there are a great many who are agents of foreign shipping interests.

The CHAIRMAN. Are the agents of most of the trans-Atlantic lines members of the exchange?

Mr. SMITH. Yes.

The CHAIRMAN. For instance, of the Hamburg-American Line?

Mr. SMITH. Yes; Mr. Boas.

The CHAIRMAN. And the North German Lloyd Line?

Mr. SMITH. Yes; Mr. Schwab.

The CHAIRMAN. And the Cunard Line?

Mr. SMITH. Yes; Mr. Vernon Brown, in my day. I don't know as to the facts now.

The CHAIRMAN. Do you think that generally applies to all of the trans-Atlantic lines?

Mr. SMITH. I would say generally that is so; yes.

The CHAIRMAN. And, generally speaking, do all of the foreign steamship companies have membership in the maritime exchange?

Mr. SMITH. They have membership in it. I don't say they are active, but they are influential there.

The CHAIRMAN. You think the people that are most influential and most active there are people who represent foreign steamships?

Mr. SMITH. Unquestionably.

The CHAIRMAN. Do the coastwise people, who of course are entirely controlled by American lines, belong to the exchange; are they all members of the maritime exchange?

Mr. SMITH. Yes. You see, there are a great many members of the maritime exchange who are interested in affairs that can be bene-

fitted by these foreign steamships, in the way of docking, painting, repairs, supplies, and so forth, so that even a great many good American citizens, members of the exchange, are not at all willing to make their Americanism very evident, and for that reason; their business interest is involved.

The CHAIRMAN. Besides a single individual, such as you are, having been an employee of the maritime exchange, does the maritime exchange keep anybody in Washington to watch legislation?

Mr. SMITH. Oh, no. They would send down as bills would arise that the members of the exchange felt an interest in as an exchange, and the very fact, as you can see, that the board of directors would pass resolutions in favor of these several bills I speak of, shows that the officers themselves were dominated by the American sentiment. When it came to election these people that were not active would come to the meeting and vote in these people who were friendly to American interests. But when I speak of the active interests of the exchange, I mean that so far as the daily active interest is concerned, those who are most active were interested in foreign ships rather than American interests.

The CHAIRMAN. You mean that the members who are most interested in American interests would come around once a year and vote for men and measures favorable to American interests; that consequently you would always select a board of directors favorable to American interests?

Mr. SMITH. Yes; that is the reason I remained superintendent.

The CHAIRMAN. But the men who took an active daily interest in the maritime exchange were largely foreign steamship owners or agents?

Mr. SMITH. That is it exactly.

The CHAIRMAN. Mr. Smith, there is this question I would like to ask you: Do you know of any representatives of the foreign shipping interests using their influence against any legislation favoring the American merchant marine?

Mr. SMITH. No, sir; I do not.

The CHAIRMAN. As far as you know, were most of the foreign steamship lines represented in Washington by counsel or by somebody, except as you have suggested?

Mr. SMITH. I have no knowledge that they were, sir.

The CHAIRMAN. Did representatives of those steamship companies appear before congressional committees, either in the Senate or the House, during the time that you were in the habit of going there?

Mr. SMITH. There would be times that representatives of a very few of the foreign shipping interests would be there, they happening to be American citizens interested in foreign vessels. Take the case of a man named George L. Duval.

The CHAIRMAN. You mean of the merchants' association?

Mr. SMITH. Yes. He charters vessels in the foreign trade—in the trade with the west coast of South America, as I understand it. He has been opposed to several bills introduced during the past 10 or 12 years, and has represented the merchants' association in his opposition; but I have no doubt he became prominent there because of his own personal activity in the shipping trade. I understand his interest is wholly in foreign vessels. I believe he professes to favor

American shipping and legislation, but there has never been any bill that suits him—that quite meets with his approval.

Mr. GARRETT. He favors subsidy?

Mr. SMITH. He does, in a left-handed way.

Mr. GARRETT. He says he favors subsidy.

Mr. SMITH. He says he does; but there has never been a subsidy bill that quite suited him.

Mr. GARRETT. He objects to the free-ship clause in the Humphrey bill, does he not; the one now pending?

Mr. SMITH. I confess I am not familiar with his recent attitude.

The CHAIRMAN. What were your duties when you were employed by the Merchant Marine League of Cleveland? You have mentioned, I appreciate, that you prepared the literature that they sent out, and you said also that that was largely sent out by mail——

Mr. SMITH. Yes, sir.

The CHAIRMAN. And am I right in thinking you said also that at that time there was no periodical issued by the Merchant Marine League?

Mr. SMITH. That is right. There was none. In the first part of my service with the Merchant Marine League I traveled around the country a good deal and appeared before boards of trade and chambers of commerce in different cities in the North and in the South in an endeavor to commit them to resolutions favorable to American shipping.

Mr. LONGWORTH. Were there at that time speakers other than yourself who spoke in favor of the Merchant Marine League?

Mr. SMITH. Only the officers of it, as occasion might arise. I have been to Chicago with Mr. Goulder several times for the purpose of inducing organizations in that city to pass resolutions that would have an effect upon Members of Congress who were unfavorable to American ships.

The CHAIRMAN. Just what was your position in connection with it?

Mr. SMITH. They called me "commissioner;" that was my title.

The CHAIRMAN. Did you keep books?

Mr. SMITH. No, sir; that was done by the secretary, Mr. Penton.

The CHAIRMAN. You had nothing to do at all with the financial affairs of the Merchant Marine League—that is, with the collection of money or the distribution of money?

Mr. SMITH. The first part of my connection with the league, for quite a time before I was located in Cleveland, I solicited people to become members, to make contributions to the funds of the league.

The CHAIRMAN. Did you receive the contributions yourself?

Mr. SMITH. Very rarely. I generally asked them to send their contributions in the form of checks to headquarters; but perhaps I did in a very few cases receive the money. I don't recall that I did.

The CHAIRMAN. Was Mr. Penton connected with the league at that time?

Mr. SMITH. Always; yes, sir; from the beginning. I think it was his suggestion that the league should be formed.

The CHAIRMAN. When you were connected with the league, was Mr. Penton in the same position that he was afterwards?

Mr. SMITH. Yes.

The CHAIRMAN. That is, he was practically the manager in charge of the collection of dues and the expenditure of money, and so forth?

Mr. SMITH. Well, I used to make out the bills. They had a form of bill, and in my office I had two or three stenographers and I would send out the bills, but the money would not come to me; it would go to the treasurer, Colonel Sullivan, but all the financial affairs of the league were taken care of by Mr. Penton. I used to render accounts to Mr. Penton for expenditures, and such matters as that.

The CHAIRMAN. I don't know whether I heard you say just what year you were there.

Mr. SMITH. I went there in August of 1905. That is, I accepted employment with them in that month. I stayed with them until April, 1907.

The CHAIRMAN. Are you familiar with the conditions of building ships on the Lakes?

Mr. SMITH. More or less. I wrote the report on shipbuilding for the Twelfth Census.

The CHAIRMAN. Do you know how large a ship it would be possible to build on the Lakes that could be used in the trans-Atlantic trade?

Mr. SMITH. Oh, they would not be a factor. Two hundred and forty-five feet would be the size of a vessel that would go through the present Welland Canal. They have, it is true, built a few vessels in parts, taking them down in two parts, and put them together at Montreal, that were longer than the Welland Canal locks would accommodate, but none of them have ever been successful.

Mr. GARRETT. Mr. Smith, who was instrumental in your employment in the Merchant Marine League?

Mr. SMITH. Mr. Penton and Mr. Goulder, the secretary and president of the league, respectively.

The CHAIRMAN. That is Mr. Harvey D. Goulder?

Mr. SMITH. Harvey D. Goulder.

Mr. GARRETT. You received a stated salary?

Mr. SMITH. Yes, sir.

Mr. GARRETT. Per month or per year?

Mr. SMITH. Per month. It was based upon an annual amount.

Mr. GARRETT. From what sources did the league derive its financial support during the time you were with it?

Mr. SMITH. From the contributions of members, which were small, and from the discount of a note, as I understand it, that the officers placed in Mr. Sullivan's bank.

Mr. GARRETT. Did you understand it to be that way at the time, or have you understood that since from this testimony taken by this committee?

Mr. SMITH. I understood it at the time I was in their employ. Before I went with them, if I may say so, I advised them to raise a fund of \$10,000 to carry on the work, and before accepting employment with them I was assured by them that they had received that fund. It transpired afterwards that they had raised no funds except in the manner I have stated.

Mr. GARRETT. Except by a contribution of membership dues of \$10 a year?

Mr. SMITH. Yes; and this note, which was from time to time discounted, I believe, and increased in amount as the expenses increased.

Mr. GARRETT. You spoke a while ago of raising some funds at the meetings you attended.

Mr. SMITH. No; I did not attempt to raise funds at meetings. I would solicit people, where I would casually meet them, and perhaps I got 40 or 50 members that way.

Mr. GARRETT. Just members?

Mr. SMITH. I don't recall that I ever got any contribution beyond a membership fee.

Mr. GARRETT. Did the league have any fixed policy as to the associations of those who should become its members?

Mr. SMITH. Well, it was a very loose one. They were in favor of the building up of American shipping by any method that would be successful.

Mr. GARRETT. I understand; but I mean did they have any rule as to who might belong to the league?

Mr. SMITH. Anybody that would contribute \$10. That was the most important part.

Mr. GARRETT. Without reference to whether they were interested in shipping?

Mr. SMITH. It was taken for granted if they would contribute that they would be interested in that kind of work and the work the league was doing and that they were friendly.

Mr. GARRETT. Was there any sort of rule about it?

Mr. SMITH. There was a printed form of declaration, I believe, which they signed, the phraseology of which I have forgotten.

Mr. GARRETT. Was there a rule of that league that they would not accept contributions from any person directly interested in ship-building?

Mr. SMITH. I don't know of any such rule; no.

Mr. GARRETT. During the time you were connected with it there was no refusal of contributions?

Mr. SMITH. As I tell you, the financial end of it was not in my hands, except such a matter as taking the list of members and billing them when their year had run out. The cash would not come to me. Stamped envelopes addressed to the treasurer were inclosed with the bills.

Mr. GARRETT. How long have you known Mr. Penton?

Mr. SMITH. Well, I guess I knew him for two or three years; maybe a couple of years in advance of my going with the Merchant Marine League.

Mr. GARRETT. How long had you known Mr. Goulder?

Mr. SMITH. I have known Mr. Goulder quite a good many years. I published a maritime weekly newspaper myself, and spent some time upon the Great Lakes in the early nineties, and became acquainted with Mr. Goulder then.

Mr. GARRETT. Were you with the commission when it had its meetings at Cleveland?

Mr. SMITH. With the Merchant Marine Commission?

Mr. GARRETT. Yes; the congressional commission.

Mr. SMITH. No, sir; I was not. I appeared before them in New York at that time as superintendent of the maritime exchange, and at that time presented a paper representing the views of the maritime exchange.

Mr. GARRETT. Do you know who suggested your employment by the Merchant Marine League?

Mr. SMITH. They were negotiating with me for a long time. Mr. Penton and Mr. Goulder negotiated with me to come with them, to give up my place with the maritime exchange and go with them—at least it was a matter of several months.

Mr. GARRETT. After you left the league, in 1907—was that the year?

Mr. SMITH. Yes.

Mr. GARRETT. Did you have any further knowledge of its affairs and doings?

Mr. SMITH. Nothing at all, sir.

Mr. GARRETT. It had a hiatus there for a while?

Mr. SMITH. Of course their activity was generally much greater during a session of Congress than during recesses of Congress.

Mr. GARRETT. It has been testified before this committee by Mr. Goulder and by Mr. Penton and by Mr. Sullivan that the league practically went out of business for several months along about 1906 and 1907, perhaps it was, and then was reorganized, I think, in 1908. Do you know anything about its cessation of activities during, say, 1907? Did it not almost go out of business during that time?

The CHAIRMAN. 1908 to 1909, I think it was.

Mr. GARRETT. The chairman says 1908 to 1909.

Mr. SMITH. I know they did not seem to be as active until they got out this publication as they were during my time.

Mr. GARRETT. In 1909 they began the publication of this monthly pamphlet or paper called "The American Flag?"

Mr. SMITH. Yes, sir.

Mr. GARRETT. And since the beginning of that publication, have you been familiar with the affairs of the Merchant Marine League?

Mr. SMITH. Not at all.

Mr. GARRETT. You have not been identified with it?

Mr. SMITH. Not in any way at all; no, sir.

Mr. GARRETT. You, of course, know nothing of the statement contained in that publication relative to Representatives Küstermann and Steenerson?

Mr. SMITH. Not until the matter was aired in Congress. I didn't know anything about it until then.

The CHAIRMAN. During the time you were connected with the Merchant Marine League they did not publish the paper The American Flag, did they?

Mr. SMITH. No, sir; they did not. They had no regular publication then.

Mr. GARRETT. Did they seem to have plenty of money then?

Mr. SMITH. No, sir; they did not. That was the least thing we had.

Mr. LONGWORTH. So far as you know about the Merchant Marine League, both before and after you were connected with it, the active men in it were residents of Cleveland or the Lake region, were they not?

Mr. SMITH. Yes, sir.

Mr. LONGWORTH. Practically all of them?

Mr. SMITH. All Lake men; yes, sir.

Mr. LONGWORTH. Now, I would like to ask you this question: Is it your opinion that their pronounced advocacy of ship subsidy in

some form was prompted by motives of self-interest or by patriotic motives?

Mr. SMITH. Patriotic. I believe their motives in organizing that league and in spending the money that they did spend and giving the time that they spent were patriotic. That was the result of my observation. They freely gave up their time and spent their money to bring about conditions that they believed would be beneficial to our shipping in the foreign trade.

Mr. LONGWORTH. As I understood you a little while ago, from your knowledge of conditions on the Lakes, they would not be able to build ships of sufficient size to compete in ocean traffic in case some legislation of this sort was passed?

Mr. SMITH. Oh, no. I don't believe, unless the Welland Canal and the St. Lawrence River were made much larger, the connecting channels. I am sure that while I was with the league, and at its inception and even yet, anybody on the Great Lakes interested in shipping had no sort of any personal benefit. I feel sure of that. They wanted to see conditions established as to our foreign trade as prosperous as they had them on the Great Lakes. That was the sentiment that animated those that I met on the Great Lakes.

Mr. HAWLEY. When you appeared before the Committee on Merchant Marine and Fisheries of the House of Representatives, did you attend all the meetings they had on the Gallinger bill?

Mr. SMITH. No, sir; oh, no. I attended a few, probably. I would have to look it up to find out what meetings I actually did attend. I went whenever I could.

Mr. HAWLEY. On the days that you were there did anybody appear in opposition to the bill?

Mr. SMITH. Oh, yes; there was generally opposition.

Mr. HAWLEY. At whose instance did these people appear in opposition?

Mr. SMITH. Well, I think the Merchants' Association of New York was as active as any organization.

Mr. HAWLEY. Do you remember the names of the parties appearing that took the most active part against the measure?

Mr. SMITH. Yes; this Mr. Duval and an attorney by the name of Dougherty.

Mr. HAWLEY. By whom was the attorney employed?

Mr. SMITH. By the Merchants' Association, or its committee, of which Mr. Duval was the chairman.

Mr. HAWLEY. Was a special fund raised by the Merchants' Association to carry on that work in Washington?

Mr. SMITH. I could not tell you about that, sir. I know they were very active in distributing literature. I would find evidence of their efforts to thwart me when I would endeavor to get resolutions adopted by different bodies.

Mr. HAWLEY. Do you know of any activity besides appearing before the committee and distributing literature?

Mr. SMITH. None at all.

The CHAIRMAN. Do most of these foreign steamship lines have representatives in the Merchants' Association in New York?

Mr. SMITH. I could not say as to that. I have never seen the printed list of their membership. I recognize among their officers

a few representatives of foreign shipping interests; that is to say, men interested in foreign ships.

The CHAIRMAN. Who are they?

Mr. SMITH. Gustav Schwab, Mr. Duval, I recall off-hand. If I should see a list of their officers, I might recall some others.

Mr. LONGWORTH. Did you ever know Mr. Wilber, of the Associated Press in Washington?

Mr. SMITH. No, sir; I don't recall that I have ever known him. I read about him, but I don't recall meeting the gentleman.

Mr. LONGWORTH. Did you ever know or hear of any other man employed by any newspaper or press association who was also in the receipt of compensation from any steamship line?

Mr. SMITH. There are men in Washington who make a business of sending out letters periodically to a clientele of newspapers, and such men as that have assisted in the work of arousing sentiment favorable to subsidy bills—shipping bills—that I have been interested in.

Mr. HAWLEY. Are there men employed who take the other side of the question?

Mr. SMITH. If there are, I do not know it, sir.

Mr. GARRETT. Did I understand you correctly to say a moment ago that there were men there in Washington engaged in sending out syndicate letters?

Mr. SMITH. Yes, sir.

Mr. GARRETT. That have been sending out letters favorable to ship-subsidy propositions?

Mr. SMITH. Yes, sir.

Mr. GARRETT. That you had worked in connection with them?

Mr. SMITH. Yes, sir.

Mr. GARRETT. Will you give those names, please, sir?

Mr. SMITH. There is a man who is a namesake of mine, William Wolfe Smith; I recall his name. There was another man, some southern gentleman—that is, who had a clientele among the Southern States—I can not recall his name at this moment.

Mr. GARRETT. Can you give any other name except that of Mr. Smith?

Mr. SMITH. I can not answer. There were others, but I do not recall them. There were one or two others.

Mr. LONGWORTH. Is he there now in Washington, this Mr. William Wolfe Smith?

Mr. SMITH. I don't know; I have not seen him for several years.

Mr. GARRETT. What was he paid for that?

Mr. SMITH. Various sums. Sometimes he was not paid at all. He was paid different amounts. I don't know that the Merchant Marine League ever paid him anything.

Mr. LONGWORTH. Was he connected with any regular newspaper or press association?

Mr. SMITH. No; he was simply doing work in that way; he had a clientele of newspapers, and he would furnish a weekly letter, say.

Mr. HAWLEY. And he was paid by the newspapers printing his material?

Mr. SMITH. Perhaps he was and perhaps not; maybe he got his pay otherwise.

Mr. GARRETT. You say you do not know if the Merchant Marine League ever paid this man anything?

Mr. SMITH. No, sir; I do not recall that they did. They may have done so, but I do not recall it now.

Mr. GARRETT. Do you recall any other organization or individual that paid them anything?

Mr. SMITH. There was a committee of shipbuilders and ship-owners preceding the activities of the Merchant Marine League that did pay such people.

Mr. GARRETT. What committee was that?

Mr. SMITH. It was a committee—well, they were organized about 1898.

Mr. GARRETT. Who was the manager of affairs for that committee?

Mr. SMITH. Mr. C. A. Griscom.

Mr. GARRETT. Where does he live?

Mr. SMITH. Philadelphia.

Mr. GARRETT. Is he living still?

Mr. SMITH. Yes, sir.

Mr. GARRETT. Were you familiar with that organization?

Mr. SMITH. I was employed by that organization in the same capacity that I was employed by the Merchant Marine League.

Mr. GARRETT. Can you state what they paid for services of that sort or to those newspaper men?

Mr. SMITH. No very large sums; small sums—perhaps \$200 for several months' work—very little comparatively, and never as much as the people wanted.

Mr. GARRETT. You mean the people who were employed?

Mr. SMITH. Yes.

Mr. LONGWORTH. Was this gentleman you speak of in Washington officially as the representative of any newspaper or press association?

Mr. SMITH. Oh, no, sir; he did this business of sending out a weekly letter to newspapers about matters arising in Congress.

Mr. HAWLEY. What other business did he have besides that?

Mr. SMITH. Just that. If he had any other business, I did not know about it.

Mr. LONGWORTH. He was, then, as I understand it, not a regular correspondent either of any well-recognized newspaper or press association?

Mr. SMITH. No. He was a voluntary newspaper man—that is, he would write to a newspaper and say that he would like to send them a weekly letter, and maybe he got paid for it and maybe he didn't. But the people he would write in favor of would probably pay him.

Mr. LONGWORTH. Was he a man, for instance, who had the privileges of the House or Senate press gallery?

Mr. SMITH. I would not say about that. I don't think that was ever a factor in his employment. It was merely to get into the newspapers and before the public an argument in behalf of this legislation.

Mr. LONGWORTH. You are quite confident that he was not a regular newspaper man in Washington?

Mr. SMITH. Except in that way. I don't think that he was a representative of any important paper.

Mr. LONGWORTH. That is what I mean.

Mr. SMITH. Oh, no—nor any of the people that were employed in that way.

Mr. GARRETT. Are you referring just now to Mr. William Wolfe Smith?

Mr. SMITH. Yes.

Mr. GARRETT. There were others whose names you can not recall?

Mr. SMITH. I do not recall that any regularly authorized—for instance, such representatives of the press as appear in the Congressional Record, I do not recall that ever any effort was made to do anything with them, or that anything was ever done through them, except, for instance, if their papers were friendly, we would go to them. For instance, I have many times gone the rounds of the newspaper offices in Washington and given them manifold stuff, with the hope that they would use it, and they would use it or not, as they liked. Of course there was no pay involved in that; they would simply use it or not, as they wished to do.

Mr. LONGWORTH. Did they use it as news or as editorial matter?

Mr. SMITH. As news.

Mr. LONGWORTH. Altogether as news?

Mr. SMITH. I presume so. For instance, as to a hearing before a committee, I would get up a statement of what occurred at the committee hearing and have it manifolded perhaps and give it around to different newspapers or the representatives of the newspapers, who might not themselves be present at the hearing, or because I feared that they might not make as full a statement of it as we wished, if it was legislation that we were interested in. As I say, I would prepare this typewritten matter and distribute it, but there was never any thought of any of the newspaper correspondents putting it in their papers for pay.

Mr. LONGWORTH. Did you ever request that it should appear editorially?

Mr. SMITH. No, sir; I never did.

Mr. LONGWORTH. That is to say, that it was purely a question of news, which they might print or not as news?

Mr. SMITH. Exactly.

Mr. LONGWORTH. It was not an endeavor to influence the policy of that newspaper?

Mr. SMITH. No, sir. I endeavored as a rule to avoid those newspapers whose columns were well known to be hostile to this form of legislation, and my efforts were more generally expended with those papers which had of their own volition favored some encouragement to American shipping.

The CHAIRMAN. In other words, you being interested in American shipping, would give anything in the way of a scoop, if that is the proper expression, to the papers that favored your interests?

Mr. SMITH. No; I would give it to anybody that would use it. We would get press clippings, for instance, as to items appearing in the newspapers of the country on the subject, and by that method we would obtain knowledge of those papers that were favorable to us and those that were unfavorable, and if they had correspondents in Washington, we would go to them with statements that we desired printed from time to time.

The CHAIRMAN. As to the things that actually occurred before the several committees?

Mr. SMITH. Yes, sir; or any other matter of general interest, or that we could persuade them was of general interest, in our efforts to secure that legislation.

Mr. HAWLEY. Do you know of any person who prepared matter and furnished it to the newspapers in a similar way opposed to shipping legislation?

Mr. SMITH. No, sir; except the Merchants' Association. I think they did endeavor to distribute it around among the newspapers in the same way. I think I have come across evidences of it in my time in Washington.

Mr. GARRETT. Referring to these men who were paid, like Mr. William Wolfe Smith and the others, I might ask you who paid them; I mean what individual?

Mr. SMITH. Maybe I did sometimes; maybe the money was given to me to pay them. I do not recall. Sometimes they would be paid direct from the offices of the organization.

Mr. GARRETT. You say "the organization;" you mean the organization preceding this Merchant Marine League?

Mr. SMITH. Yes.

Mr. GARRETT. Is that the only organization that you remember that paid for this work?

Mr. SMITH. Yes, sir.

Mr. GARRETT. What is your best idea of the amount that was paid during the time that you were connected with it?

Mr. SMITH. I don't think altogether in the course of four or five years of activity that they spent a thousand dollars in that way.

Mr. GARRETT. You think it was less than a thousand dollars?

Mr. SMITH. I do.

Mr. GARRETT. And you do not think the Merchant Marine League ever spent anything in that way?

Mr. SMITH. I do not.

Mr. GARRETT. Did you have authority from the Merchant Marine League at the time you were connected with it, upon your visits to Washington as its representative, to pay for correspondence of that sort?

Mr. SMITH. No, sir.

Mr. GARRETT. And you did not personally engage any services of that character for the Merchant Marine League?

Mr. SMITH. I do not recall that I did, unless it might have been in the case of Mr. Smith. It may be that that was before the Merchant Marine League was organized. My memory is not clear whether he ever was employed to do that by the Merchant Marine League or not. It would be intermittent. He would do this a year, and perhaps for a year or two he would not do it; perhaps they would not have any money to pay him for doing anything; or it might be that he would send out something for nothing, and then at other times, if they had a little money, they might give him something. That is the way he was paid.

Mr. GARRETT. Did that organization or the Merchant Marine League spend any funds in any other way there in Washington than with these newspaper correspondents?

Mr. SMITH. No, sir; except for the expenses of myself or themselves in going there, such as hotel bills and ordinary expenses.

Mr. GARRETT. Did you ever expend any funds with Members of Congress?

Mr. SMITH. Never.

Mr. GARRETT. Did you ever try to?

Mr. SMITH. I never tried to; no.

Mr. GARRETT. Did you ever give any dinners?

Mr. SMITH. No, sir; I never did.

Mr. GARRETT. To Members of Congress, or to which Members of Congress were invited?

Mr. SMITH. No, sir; I never did.

Mr. GARRETT. And you think the whole sum coming within your knowledge that was expended for this newspaper work was less than a thousand dollars?

Mr. SMITH. Yes; I should say considerably less than a thousand dollars.

Mr. GARRETT. Do you suppose there is anywhere an account of those expenditures that the committee could get?

Mr. SMITH. That committee that I spoke of went out of existence eight or nine years ago. I doubt very much if there is any record in existence as to their receipts and disbursements. However, I don't know about that.

Mr. GARRETT. If there be such a thing, who could probably give us that information; who would probably have the books?

Mr. SMITH. Mr. Griscom, the chairman. It was not an incorporated organization; it was just a body of men that were interested that got together; shipowners and shipbuilders, and they contributed whatever sums were necessary to meet the expenses. Most of the money was spent by me in the preparation of printed matter to mail around to all the newspapers in the country, getting out little pamphlets and such matters as that; most all the money was spent that way.

Mr. GARRETT. Has that organization ceased its activities entirely?

Mr. SMITH. I don't think so. Mr. Griscom has not been connected with it for a good many years.

Mr. GARRETT. Is that organization still in existence?

Mr. SMITH. I think they or their successors—other men equally interested with themselves.

Mr. GARRETT. I mean the organization.

Mr. SMITH. I don't know that they have a name. It is just like that; they get together like any other men that are interested in some particular thing; they call themselves a committee of shipowners and shipbuilders, I think.

Mr. GARRETT. Do they still have a representative who visits Washington in the same capacity that you visited Washington and handles matters in the same way that you did?

Mr. SMITH. I left them in 1901 to go with the maritime exchange and they employed a man named Winthrop L. Marvin to do the work I did.

Mr. GARRETT. Is he still serving them?

Mr. SMITH. I think he is not wholly employed by them in that way. He is secretary of some wool manufacturers' organization in Boston, I think, and has been for the last two or three years.

Mr. GARRETT. He was the secretary of this Merchant Marine Commission, was he not?

Mr. SMITH. Yes, sir.

Mr. GARRETT. What I am anxious to get at is whether that organization still has a representative who works in Washington.

Mr. SMITH. Well, I should say that he could tell you what transpired in the period of his employment and who succeeded him, if anybody, in the work that he used to do. That is all I can say.

Mr. GARRETT. You do not yourself know?

Mr. SMITH. I do not, as to any successor of his. It may be that he still has sufficient start to carry on such work as they desire done.

Mr. LONGWORTH. Did you ever know a case where this news that you gave out was printed editorially by a newspaper?

Mr. SMITH. No, sir; I do not. Of course, we tried to get it in the news columns, and they would publish it in friendly newspapers as a rule. It was very rarely published in unfriendly newspapers. Their editorial comments were their own get-up, because it was the policy of those papers to advocate this legislation.

Mr. LONGWORTH. Did you ever know of any case where news given out under the same circumstances by those who were opposed to ship subsidy appeared editorially?

Mr. SMITH. Well, no. Well, I would see, for instance, in the clippings that would come to hand at times—and I have called Mr. Griscom's attention to this several times—that there would appear simultaneously the publication of editorial matter identically the same, hostile to this legislation.

Mr. LONGWORTH. Would it surprise you to know that on one occasion the same matter, identically the same, appeared on the same day editorially in seven different States?

Mr. SMITH. Well, I noticed that a number of times; that is, not a great many times, but it attracted my attention, and I called it to the attention of the committee.

Mr. LONGWORTH. Do you know how that was done?

Mr. SMITH. No, sir.

Mr. GARRETT. Your interest in this legislation grew out of what?

Mr. SMITH. I went to sea as a boy in American ships. I purchased an American weekly newspaper in 1888 and published it, edited it for 10 years. I have been possessed the larger part of my life with the desire to help rehabilitate the American merchant marine. I have never had any personal interest in American ships financially.

Mr. GARRETT. What you have done has been simply from a patriotic standpoint?

Mr. SMITH. Yes. I would have devoted myself to it without pay, but, of course, being a poor man, I had to be paid for my time. I never advocated anything I did not believe in.

Mr. GARRETT. Would you object to stating what your salary was when you were with the Merchant Marine League?

Mr. SMITH. If you wish it I have no objection. My salary for a part of the time was \$291 a month, and it was afterwards increased to \$491. When I left them it was \$491 a month.

Mr. GARRETT. Did you ever have any trouble in getting it?

Mr. SMITH. No, sir. Sometimes it was a little slow.

Mr. GARRETT. But you got it?

Mr. SMITH. I always got it. I left them without their being indebted to me.

Mr. GARRETT. Could you give the committee any information at all about the matter of a lobby in Washington or elsewhere, either for or against merchant marine legislation; anything that will be helpful in any way to this committee in arriving at the facts it is trying to reach?

Mr. SMITH. Yes; I would like to help you. It all depends on what you call a lobby. If a committee goes to Washington in favor of this legislation and appears before committees of Congress—if that is a lobby, I have knowledge of frequent lobbying of that character. But, so far as any paid number of men going to Washington and button-holing any Members of Congress and asking them to vote for this bill or that bill is concerned, in all my experience, covering the 20 years I have been actively interested in the subject, I have no knowledge of that on the part of these interests, either for or against.

Mr. GARRETT. Of any single individual for or against?

Mr. SMITH. Yes; I recall, before I was very active in Washington, there was a Dr. Glavis, whose activities were during the eighties.

Mr. GARRETT. Was that during the old Pacific Mail investigation—away back there?

Mr. SMITH. No; I guess it was after that. This Dr. Glavis represented foreign shipping interests. He is the only man that I have ever known who did it on a raw scale, you might say—that is, he was retained there permanently. This, of course, is hearsay. I never knew the man personally.

Mr. GARRETT. What was his full name, do you remember?

Mr. SMITH. I never knew him, and don't know that I ever saw him, but I used to hear in the late eighties and early nineties a great deal about Dr. Glavis and his activities. He has been dead 12 or 15 years. I don't know his full name.

Mr. GARRETT. So far as you know, he has no successor?

Mr. SMITH. No. This man Bennett, I think, made an effort to step into Glavis's shoes, but they were considerably too large for him.

The CHAIRMAN. Was his name Gaddis or Glavis?

Mr. SMITH. I think his name was Glavis.

Mr. LONGWORTH. Was he not succeeded by Mr. Wilber?

Mr. SMITH. If he was I don't know it. I don't think he was ever connected with any press organization or anything of that kind.

Mr. LONGWORTH. Who, Mr. Glavis?

Mr. SMITH. Mr. Glavis; yes. He may have been, but I don't know. I say I never knew him personally.

Mr. GARRETT. The work that he performed was different from that Mr. Wilber performs, was it not?

Mr. SMITH. All I know about Mr. Wilber is what I read in your proceedings. I never knew the man that I recall, and just what work he did I don't know.

Mr. GARRETT. According to the statements in the hearings as to Mr. Wilber, he merely sent out certain information, but I understood that this man Glavis really engaged in—oh, well, what you would call lobbying.

Mr. SMITH. Yes; that is my understanding of it. He was permanently employed in Washington, as I understand, for the purpose of

preventing legislation doubtful to American shipping. That is my understanding of Mr. Glavis's activity.

Mr. GARRETT. There is no suggestion that Mr. Wilber did anything of that sort as I remember it. He merely sent out information there. He did not buttonhole Members of Congress or seek to touch the sources of legislation; but I understand from your statement that this man Glavis did.

Mr. SMITH. Yes. I understood he was given to the habit of entertaining people in a lavish way. Of course, it is all hearsay; I have no knowledge myself of him or his activities.

The CHAIRMAN. As far as you are concerned, Mr. Smith, do you know of anybody for or against ship subsidy who has done any entertaining of any kind to Members of Congress or personally buttonholing or importuning them in regard to bills; do you know of anything of that kind that has been done?

Mr. SMITH. No, sir; I do not; except going before committees and persuading the committees that a certain view was the right view; that is all.

Mr. GARRETT. I will ask you again, when did your connection with the Merchant Marine League begin?

Mr. SMITH. In August, 1905.

Mr. GARRETT. And when did it end?

Mr. SMITH. April, 1907.

Mr. GARRETT. If there is any other statement that you can give to this committee that will throw any light upon this investigation, we will be glad to hear you. We will be glad to have any facts that come within the scope of this investigation.

Mr. SMITH. Of course I have my views as to how American shipping can be established, but I do not take it that that is within the purview of your investigation.

Mr. GARRETT. Hardly, I suppose. That would go to the merits of this legislation. This committee has no jurisdiction to report anything on that, but has to confine itself to the scope of the resolution under which it is acting.

Mr. SMITH. I have given you everything that I can think of. I have been as frank as I could be, and I have not withheld anything. Of course, some things may have escaped my recollection, but I have given you honestly everything I could recall in answer to your questions.

TESTIMONY OF WILLIAM R. CORWINE.

William R. Corwine, called as a witness, being first duly sworn, testified as follows:

The CHAIRMAN. What is your business?

Mr. CORWINE. Just now I am the secretary of the National Association of Clothing Manufacturers, with a number of affiliated commercial bodies in the same industry.

The CHAIRMAN. Were you at one time connected with the Merchants' Association?

Mr. CORWINE. I was.

The CHAIRMAN. In what capacity?

Mr. CORWINE. I had no title. I was assistant to the president, Mr. William F. King, who is now dead. I was general utility man.

The CHAIRMAN. Did you have anything to do with watching legislation in Congress?

Mr. CORWINE. I did.

The CHAIRMAN. Did you attend committees from time to time as representing the Merchants' Association?

Mr. CORWINE. I did, sir.

The CHAIRMAN. Did you particularly in connection with the ship-subsidy matters?

Mr. CORWINE. I did.

The CHAIRMAN. Or bills affecting shipping interests in this country?

Mr. CORWINE. I did.

The CHAIRMAN. About what time or for how long a time?

Mr. CORWINE. At the time of the introduction of the so-called Hanna-Frye bill, which I believe was introduced in the congressional session of 1907-8. The Merchants' Association began a study of the shipping industry at that time, and more particularly as it related to that bill. They appointed a committee, of which Mr. George L. Duval was chairman, and I was the other member. We were a large committee of two. As a result of that study and analysis of the bill the association declared itself to be opposed to the bill—not opposed to the theory of ship subsidy for the benefit of the American ship-building yards, but they did not think that that bill would answer the purpose for which it was supposed to have been drafted. The association so declared themselves openly, and Mr. Duval and I, as a committee, were instructed by the board of directors to use every effort to lay our position before Congress and the country at large.

The CHAIRMAN. As such committee you appeared before the committees of the Senate and House, I suppose?

Mr. CORWINE. Yes, sir; and also before Senator Frye, at his invitation, to discuss the matter with him in his committee room, aside from the committee itself, and also before the House members. I personally did not say anything before those committees; Mr. Duval said whatever was to be said from our point of view.

The CHAIRMAN. Did the Merchants' Association as such do any newspaper work in connection with this matter?

Mr. CORWINE. It did.

The CHAIRMAN. In what way?

Mr. CORWINE. In furnishing the press the point of view of the association in the shape of statements and interviews, somewhat in the same way that Mr. Smith did for his association—only I would like to emphasize a difference between the two; we furnished our material to all papers, whether friendly or unfriendly, in the hope that we might convert the unfriendly papers, and let it go at that. If they used it, well and good; and if not, it could not be helped.

The CHAIRMAN. Who prepared these statements that you furnished—you and Mr. Duval?

Mr. CORWINE. Most of them; yes. I do not remember as to details. He did some and I did some. Some were prepared in the office by gentlemen who had charge of a good deal of that sort of work. As to specific articles, I do not remember.

The CHAIRMAN. Will you tell me something of the complexion of the Merchants' Association at the time you were connected with it; were they largely influenced by the foreign steamship lines?

Mr. CORWINE. I don't think they were influenced at all by them. If you will allow me to volunteer—

The CHAIRMAN. We would like to have you do so.

Mr. CORWINE. I attended all the board meetings at which the subject was discussed, at which various analyses of the bill were submitted by different members of the board. We had on the board at that time only one member, if my memory serves me right, who had always been affiliated with or identified with foreign shippers, and that was Mr. Gustav H. Schwab, of the North German Lloyd Steamship Company. He was a member of the board and actively engaged in the work of the association. But when this question came up—I am glad to be able to say this of him, showing as it does his character—he refused to participate in the deliberations of the board on that subject or to vote on any questions that might come up in connection with which he was the only man, so far as I can remember, who could be considered as actively engaged in any way with foreign shipping.

The CHAIRMAN. Did you as a member of the association, or in any other way, know of any combination of foreign steamship companies to prevent legislation that would look toward the rehabilitation of the merchant marine?

Mr. CORWINE. I do not, sir. If there were any such, it did not come to my knowledge.

The CHAIRMAN. Did the Merchants' Association as an association ever pass resolutions relative to the general question of American shipping?

Mr. CORWINE. Yes; I am pretty sure that they did. What they were I do not remember; they are on the records.

The CHAIRMAN. This committee that you speak of, that you and Mr. Duval were members of, was appointed specially to go down and oppose one particular bill? You spoke of the Hanna-Frye bill. As I understand it, that was when your committee was first created?

Mr. CORWINE. Practically-directed to do so; not only to appear before the Members of the House and to disseminate literature setting forth our contentions in regard to that bill, but to do everything we could in our power to mold public sentiment to our way of thinking.

The CHAIRMAN. Did you have any interest at that time in any foreign shipping interests?

Mr. CORWINE. Absolutely not.

The CHAIRMAN. Did Mr. Duval, as far as you know?

Mr. CORWINE. I do not think he had; I don't know for a fact, but I don't think so.

The CHAIRMAN. Did you have any interest in any shipping matters at all?

Mr. CORWINE. Only by sentiment, that is all. My family were shipping people; they were interested in shipping before me.

The CHAIRMAN. You have always lived in the United States, have you not?

Mr. CORWINE. I was born in New York City.

The CHAIRMAN. At any time do you know of the existence of anything like a combination of foreign shipowners to influence legislation in Congress relative to ship subsidy or anything of that kind?

Mr. CORWINE. I have absolutely no knowledge of anything of that kind. I have heard various gossip, as one hears about any measure almost.

The CHAIRMAN. Do you know anything about the so-called Atlantic conference?

Mr. CORWINE. No; nothing, except in the most general and vague way; nothing definite at all.

Mr. HAWLEY. Did the Merchants' Association raise any money to carry on this work that you speak of?

Mr. CORWINE. I am pretty sure, sir, that it did not. I am pretty sure that all the expenses, which were simply those of traveling, hotel bills, and the like, were paid out of the common fund of the treasury, which came from the membership dues of the members.

Mr. HAWLEY. Did you employ a representative or attorney to appear for you before the committees of Congress?

Mr. CORWINE. No, sir. Subsequently there was a lawyer on the committee, Mr. Dougherty, after I had resigned—because I had severed my connection to go with the Eastern Trust Company, which was then organized—and Mr. Dougherty took my place. He is a trained lawyer. I don't think he was retained at all except in the sense that he gave his services, as he did to an investigation of the water supply, Cuban reciprocity, to the interests of Porto Rico affairs, the Philippine tariff, and other measures of that character.

Mr. HAWLEY. What are his initials?

Mr. CORWINE. J. Hampden Dougherty.

The CHAIRMAN. Did your work include writing letters to the Members of the Senate and House of Representatives?

Mr. CORWINE. Yes; I think we followed that plan, and sent letters to all Members of both Houses.

The CHAIRMAN. Printed or personal letters?

Mr. CORWINE. Printed letters.

The CHAIRMAN. No personal letters were written?

Mr. CORWINE. No, sir; I don't think so; not that I can recall. The object was to make everything as public as possible in an effort to mold sentiment toward our point of view in the effort to defeat that bill. We did the same thing subsequently. Senator Frye's bill was subsequently amended, after various protests, in order to try to meet the objections which we raised and which were raised by others—that is, that the bill should be so worded as to safeguard American interests and not so worded as to allow any possibility of foreign tonnage being acquired under the terms of the bill which would receive the benefit of the subsidy to the exclusion of a complement of that tonnage which ought to be constructed in American yards by American labor.

Mr. LONGWORTH. Did you submit those amendments to the consideration of the committees?

Mr. CORWINE. Personally, no. They were submitted.

Mr. LONGWORTH. By Mr. Dougherty?

Mr. CORWINE. No; by Mr. Duval, I think. I don't think I was present at that interview with Senator Frye when they were discussed. The second bill was amended, and these suggestions were incorporated in amendments in that bill in an effort to safeguard the interests of Americans so far as they could be safeguarded by any

phraseology that could be devised. But that bill failed to pass. I don't think the merchants' association made any further opposition after that. I went away after that, went to Porto Rico, I think it was, to study the conditions there, under Mr. McKinley's administration.

MR. LONGWORTH. As I understand it, your committee submitted a written draft?

MR. CORWINE. Yes; a series of them, communications which were sent openly to Congress and which were discussed with Members of Congress who were much interested in the matter and who occupied important positions on the committees.

MR. LONGWORTH. Do you know who drafted those amendments?

MR. CORWINE. The actual drafting I don't remember, sir.

MR. LONGWORTH. Was it an attorney employed by the merchants' association?

MR. CORWINE. No; my impression is that they were drafted by Mr. Duval, but I would not want to make that as an absolute statement, because it might not be correct. I think I helped in some of them. They were gone over and over, principally by him and by myself, but which of the two actually did it I don't remember. They were discussed by the board of directors and the officers of the association and finally were submitted, and finally were discussed personally with some of the leaders in Congress; and, as I say, were ultimately incorporated in a bill in an effort to safeguard the interests which we did not think were being properly safeguarded. The bill did not pass. What has been done since in the matter of subsidy legislation has been changed to what might be called the postal subvention. I am not familiar with it except in a general way. I resigned from the association in 1903, I think it was.

MR. LONGWORTH. These amendments were drafted practically in New York and taken to Washington and submitted to the committee?

MR. CORWINE. I think so, although I do remember Mr. Duval and I laboring very hard in the Shoreham Hotel in Washington trying to put amendments into shape that would be presentable. I think we did some of our work there.

MR. LONGWORTH. Was Mr. Duval a lawyer?

MR. CORWINE. No, sir.

MR. LONGWORTH. And you were not a lawyer?

MR. CORWINE. No, sir.

MR. HAWLEY. What percentage of the membership of the Merchants' Association are interested in foreign shipping?

MR. CORWINE. I do not know of any directly, except Mr. Schwab, of the North German Lloyd Steamship Co.

MR. HAWLEY. Mr. Boas is not a member of your association?

MR. CORWINE. I don't think he is. He was not then; he may have become a member since then. The list is easily obtainable, with all the various interests subdivided alphabetically and arranged—manufacturers and merchants and bankers and men engaged in various kinds of business and various degrees of activity.

MR. HAWLEY. Do you make up a budget of your expenses yearly?

MR. CORWINE. I know we did.

MR. HAWLEY. Did that include specific items under expenditures?

Mr. CORWINE. I don't know whether it did or not. I think not as to small items; that would take a volume in itself. We were active in a great many directions.

Mr. HAWLEY. If they made up a budget of receipts and expenditures, do you recall whether any amount under expenditures was set apart to use in matters of shipping legislation?

Mr. CORWINE. Of that I have personal knowledge; there was not.

The CHAIRMAN. The only expenses as far as you know in that direction were those incurred by you and Mr. Duval in going to Washington?

Mr. CORWINE. It was done as is done in most associations, for instance, drawing \$100 or \$200 for expenses, and when we came back we made an account of it. Mr. Duval in some instances, I think, paid his own expenses, so that it would not be a burden on the treasury, which like the treasury in most associations was generally hard up.

Mr. HAWLEY. You heard what the preceding witness said about the activities of certain members of the Merchants' Association?

Mr. CORWINE. Yes; I did.

Mr. HAWLEY. Do you agree with that?

Mr. CORWINE. No; I do not.

The CHAIRMAN. Do you know about any lavish expenditure of money in entertaining Members of Congress?

Mr. CORWINE. I know that there was not any lavish expenditure of money; I can answer as to that from 1897 to 1902 or 1903.

Mr. LONGWORTH. Do you know Mr. F. W. Hawthorne?

Mr. CORWINE. Yes. I have not seen him for some years, but I knew him quite intimately once.

Mr. LONGWORTH. Were you ever in his employ?

Mr. CORWINE. Yes; we worked together once in Florida in my early years when I was a newspaper man; he was then the manager of the Jacksonville News in Jacksonville, and I did some work for that paper. We were good friends, and have been since when we have met; I have never had any connection with him since then, and I have not seen him for two or three years, I guess.

Mr. LONGWORTH. On page 483 of the hearings there is a letter from Senator Gallinger to Mr. Clarence Whitman, president of the Merchants' Association of New York, and he says in part:

The only word of opposition to this measure from any commercial body in the country is that which purports to come from Mr. Duval, of the Merchants' Association of New York. I regret to say that Mr. Duval has actively raised a suspicion here that he has borrowed the name of your association to cover the very bitter opposition of the rich and powerful foreign steamship companies which now, as you know, monopolize nine-tenths of our ocean carriage.

What comment have you to make upon that phrase, "very bitter opposition on the part of the rich and powerful foreign steamship companies?"

Mr. CORWINE. It applies to Mr. Duval, and it does not apply to me.

Mr. LONGWORTH. Well, you were associated with him at that time?

Mr. CORWINE. I was not; no. That was three or four years afterwards.

Mr. LONGWORTH. Oh, yes.

Mr. CORWINE. And I am not familiar with what has been done since I severed my connection, except in the most general way.

Mr. LONGWORTH. It was before you were called, Mr. Corwine, that your friend, Mr. Hawthorne, wrote an editorial (p. 1045 of record) as applying to one of the members of this committee, using this language:

It has looked almost as if the sources of noninformation had been tapped purposely so as to avoid tapping the fountainheads of real information.

Do you think that accusation could be made against this committee now that you have been called?

Mr. CORWINE. I do not see that.

Mr. LONGWORTH. It is at the bottom of page 1045.

Mr. CORWINE (after examination). What is it that you want me to say about that?

Mr. LONGWORTH. I would like to know whether you think that accusation could be made against the committee now.

Mr. CORWINE. I think Mr. Hawthorne is obsessed.

Mr. LONGWORTH. He only suggested our calling two witnesses, one of whom was Mr. Schwab and the other was yourself. Now that you have appeared do you think that Mr. Hawthorne could say that?

Mr. CORWINE. No; he can not say it so far as I am concerned. I will tell him so, too, when I see him.

The CHAIRMAN. We have been particularly directed to inquire as to whether there is any lobby employed by foreign steamship companies or domestic companies that seeks to influence legislation in Washington. Are there any facts that you could give this committee that will give us any light on that subject?

Mr. CORWINE. Unfortunately, no. If I had any I should be very glad to give it, because if I thought that that thing had been going on, it ought to be shown up by the men who have attempted it or the men who have cooperated with it. I would be very glad to do it, but I have no knowledge of that, and in fact there was nothing that appeared during all this hard fight down there that indicated any concerted action. If there was any it was so buried, so underground, that it was not observable even to a man who had been trained as a newspaper man, who is conscientiously looking for subconscious movements; and yet I was pretty active there; I spent a good deal of time there and stopped—where I always did—at the Shoreham, and prepared stuff and went about and kept in touch with legislation. I never saw any evidence of it on either side. I will join Mr. Smith in that—as much as I differ with him. I never saw any evidence of it. There was a good deal of feeling about it, a good deal of feeling on his part against us; I remember Mr. Duval and I calling on Senator Hanna once to convince him that he was wrong, and we had a very animated discussion with Mr. Smith, who was there, as his fidus Achates. It was evidently nothing more than a very earnest belief on both sides, irreconcilable apparently, although as far as I am concerned I wish a measure could be devised, either through mail subvention or with freight carriers which would help build up the American shipbuilding yards, controlled by American capital and operated by American workmen.

I do not think, if you will let me air my views for a minute, that it is fair that we should pass a subsidy measure which would give the benefit to ships constructed in foreign yards, which could be brought in and come in competition with American ships, which would cost at least 25 per cent more than those built in foreign yards,

and which would cost more to man, and which would cost more on account of the accommodations as to cubic space required for each individual seaman and on account of the better quality of food with which they have to be supplied. I think anything that will build up the American merchant marine in this country must, in the long run, meet with approbation if it meets those conditions, because it seems to me eminently fair and eminently patriotic that all those conditions should be met. But so far as I was individually concerned—and I am glad to go on record in this connection—I did not want anything concerning which there might be the slightest misinterpretation in a bill which opened up even the potentiality of the conditions which we feared might exist, which might come to pass, were those measures adopted as they were introduced.

Mr. HAWLEY. What was done with the amendments you suggested to the bill?

Mr. CORWINE. They were incorporated, as I remember, in the Senate bill. I think they were incorporated on motion of Senator Frye.

Mr. HAWLEY. On the floor of the Senate?

Mr. CORWINE. I think in committee. My memory is vague as to the details of that. I think the bill was reported out, but I do not think it came to an actual vote. I think it was toward the close of that session. It was in the spring of the long session, and, as I recollect it, they did not reach it. Of course the Congressional Records will show that definitely. That is my recollection.

Mr. GARRETT. Is Mr. Schwab an American citizen?

Mr. CORWINE. Yes, sir; born in this country.

Mr. GARRETT. He is native born?

Mr. CORWINE. Yes, sir; and on his mother's side, since before the Revolution of the United States. I think his father was born in Germany, but came here when very young.

TESTIMONY OF LAWSON SANDFORD.

Lawson Sandford was called as a witness, and having been duly sworn, testified as follows:

The CHAIRMAN. What is your occupation?

Mr. SANDFORD. I am secretary of the voluntary organizations of the trans-Atlantic steamship lines.

The CHAIRMAN. Who comprise that association?

Mr. SANDFORD. All of the regularly established trans-Atlantic lines from United States and Canadian ports (Montreal and Quebec on the north, Newport News and Norfolk on the south, inclusive) to the various ports of Europe.

Mr. HAWLEY. All foreign lines?

Mr. SANDFORD. No; foreign and domestic.

The CHAIRMAN. Does that mean you include the North German Lloyd, Hamburg-American, the Cunard, the White Star, the Atlantic Transport, the Allan Line, and others?

Mr. SANDFORD. Yes, sir.

The CHAIRMAN. In fact, every one of these lines is in this association?

Mr. SANDFORD. Yes, sir.

The CHAIRMAN. Without exception?

Mr. SANDFORD. Without exception.

The CHAIRMAN. What does this association do?

Mr. SANDFORD. There are four divisions of the Atlantic conferences, usually so-called. One is the Trans-Atlantic Associated Freight Conference. The members thereof comprise all of the lines we have mentioned, whether carrying freight only or both freight and passengers. The Passenger Conferences are three in number: The North Atlantic Passenger Conference, comprising the lines in the trades with the United Kingdom and Scandinavia and Denmark; the Continental Conference, composed of the lines trading with continental ports; and the Mediterranean Conference, composed of the lines trading with Mediterranean ports.

The CHAIRMAN. How many representatives of the several steamship lines are members of this conference?

Mr. SANDFORD. The lines are the members and are represented as they may see fit by the manager of the department interested in the question that may be under consideration.

The CHAIRMAN. How often do you have meetings of this conference?

Mr. SANDFORD. There are no regular meetings.

The CHAIRMAN. You maintain regular offices in New York?

Mr. SANDFORD. Yes; at 17 State Street.

The CHAIRMAN. And have you offices in other parts of the world?

Mr. SANDFORD. There is a branch passenger committee office at Chicago. The several lines at the several ports constitute themselves into local port committees on freight questions.

The CHAIRMAN. Do you fix rates, passenger and freight, in the conference?

Mr. SANDFORD. No.

The CHAIRMAN. Do you not discuss the question of rates in any agreement that may be made, in any agreement you may make with them?

Mr. SANDFORD. The conferences have nothing to do with the fixing of the rates, passenger or freight, or for any of the companies.

The CHAIRMAN. What does the conference do?

Mr. SANDFORD. The proper conduct of passenger agents is one of the matters considered, the relations with sundry connecting carriers in regard to dock questions, bills of lading, and everything that is germane in regard to the conduct of a large business. There are several standing committees to confer with various departments of the Government. For instance, the predecessor of Collector Loeb requested that there be appointed a standing committee on customs matters to simplify the disposal of questions arising under the customs laws concerning ships, cargo, and passengers.

The CHAIRMAN. Do you mean clearances and arrivals at docks, and questions of that kind?

Mr. SANDFORD. No. Questions of the best method to carry out a regulation which the Collector might deem advisable to adopt for the convenience of the Government, for instance. It is customary to find out from the lines through this committee what will be the most practical solution of any difficulty or question that may arise.

The CHAIRMAN. Do you mean difficulties in the actual physical handling of the ships?

Mr. SANDFORD. No; that is another question; the United States was in regard to all passenger matters, to the entry and delivery of

goods, handling of merchandise on the docks, into a public store or warehouse, etc.

The CHAIRMAN. You say this standing committee was made at the suggestion of Mr. Stranahan?

Mr. SANDFORD. No; Collector Fowler. In regard to all matters pertaining to the administration of the customs by the Collector and the Surveyor.

The CHAIRMAN. What is any other standing committee you have?

Mr. SANDFORD. There are a great many. Another committee is that on immigration and navigation laws, through which all the lines discuss matters coming up under the laws on immigration and navigation. That would bring the committee in contact with immigration authorities and the Commissioner of Navigation, Mr. Chamberlain.

Mr. HAWLEY. Are any lines doing business with England or northern ports of Europe excluded from your conference?

Mr. SANDFORD. No.

Mr. HAWLEY. All of them are included?

Mr. SANDFORD. Yes.

Mr. HAWLEY. Suppose one line makes a special rate on freight or makes special passenger rates; does that come before your conference?

Mr. SANDFORD. No.

The CHAIRMAN. How is this conference constituted? I mean, is there a president of the conference?

Mr. SANDFORD. No; there are no officers except the office of secretary, which I hold.

The CHAIRMAN. Who calls the meetings of the several conferences?

Mr. SANDFORD. The members of a committee, or the secretary.

The CHAIRMAN. Have you by-laws?

Mr. SANDFORD. I should say no.

The CHAIRMAN. You have not?

Mr. SANDFORD. There are no by-laws.

The CHAIRMAN. Who presides at the several meetings?

Mr. SANDFORD. If there is a chairman, he is selected in rotation alphabetically, according to the names of the lines.

The CHAIRMAN. But when you want to have a meeting affecting your relations with the customhouse, do you call the meeting?

Mr. SANDFORD. Yes.

The CHAIRMAN. In other words, you open all the correspondence that comes from the custom-house, for instance?

Mr. SANDFORD. Yes.

The CHAIRMAN. They would communicate directly with you as the secretary of the conference, and then you would call together the standing committee that had to do with that?

Mr. SANDFORD. If it was not possible to handle it in an informal way by telephone or letter.

The CHAIRMAN. Do they have any stated meetings?

Mr. SANDFORD. No.

Mr. LONGWORTH. How often, on the average, do you meet?

Mr. SANDFORD. It is hard to say.

Mr. LONGWORTH. Practically every day?

Mr. SANDFORD. No. Sometimes there may not be a meeting for a week or two.

Mr. LONGWORTH. Who is the treasurer?

Mr. SANDFORD. There is none.

The CHAIRMAN. How are the disbursements of the conference paid—the rent and your salary? I suppose you receive a salary, do you not?

Mr. SANDFORD. Yes. The lines contribute annually to cover the actual expenses of the maintenance of the office.

The CHAIRMAN. Who keeps the bank account?

Mr. SANDFORD. I do.

Mr. LONGWORTH. How much, on an average, is collected every year?

Mr. SANDFORD. Not a large sum.

Mr. HAWLEY. Well, that is a relative term.

The CHAIRMAN. How many employees are there of this conference?

Mr. SANDFORD. Six.

The CHAIRMAN. Does that merely mean your office force?

Mr. SANDFORD. Yes.

The CHAIRMAN. Your stenographers and your people that attend to the office?

Mr. SANDFORD. Yes.

The CHAIRMAN. And there is no president?

Mr. SANDFORD. No.

The CHAIRMAN. It is purely a voluntary association?

Mr. SANDFORD. Purely.

The CHAIRMAN. Are its actions binding upon anybody?

Mr. SANDFORD. A line desiring to participate in a certain matter would naturally be understood as intending to carry it out.

The CHAIRMAN. Suppose a new steamship line was started to go across the Atlantic Ocean. Would they get into your conference, or would they not?

Mr. SANDFORD. I should imagine so.

The CHAIRMAN. Does anybody elect members of this conference?

Mr. SANDFORD. Yes.

The CHAIRMAN. Who?

Mr. SANDFORD. The members.

The CHAIRMAN. Is there one representative from each of these steamship companies?

Mr. SANDFORD. The companies constitute the members.

The CHAIRMAN. Do they send any official they choose, sometimes one and sometimes another, to the meetings?

Mr. SANDFORD. Yes.

The CHAIRMAN. So these several lines are members of the conference, and not individuals?

Mr. SANDFORD. The several lines, yes; not individuals.

The CHAIRMAN. Would any steamship company that was established be entitled as a matter of right to get into this conference?

Mr. SANDFORD. No steamship has ever applied for membership in the conference and has been refused.

The CHAIRMAN. But you have got now all the steamship lines?

Mr. SANDFORD. Yes.

The CHAIRMAN. Both foreign and American?

Mr. SANDFORD. Yes.

The CHAIRMAN. Are the coastwise lines in your conference?

Mr. SANDFORD. The conference is purely of trans-Atlantic companies.

The CHAIRMAN. And has nothing whatever to do with coastwise lines?

Mr. SANDFORD. No.

The CHAIRMAN. When you say "trans-Atlantic," does that necessarily imply that the boats run across the Atlantic?

Mr. SANDFORD. Yes; across the Atlantic.

The CHAIRMAN. So that a line that ran from here to St. John River, Canada, would not under any circumstances be a member of your conference?

Mr. SANDFORD. No line in that service has ever applied for membership.

Mr. LONGWORTH. Well, would they be admitted to membership?

Mr. SANDFORD. I should imagine—

Mr. LONGWORTH. You must see what I want to get at. I want to know who determines whether a steamship company can go into your conference or not.

Mr. SANDFORD. The answer is that all companies who have applied for membership have been admitted.

Mr. HAWLEY. How are they admitted—by a vote of the members?

Mr. SANDFORD. By a vote of the members of the conference which they might desire to join.

The CHAIRMAN. Have you not any written regulations for the conduct of your business—whether you call them by-laws, rules, or not?

Mr. SANDFORD. Yes.

The CHAIRMAN. Are they published?

Mr. SANDFORD. No.

The CHAIRMAN. Can we have a copy of them?

Mr. SANDFORD. The Trans-Atlantic Associated Freight Conferences have not found it necessary to meet in possibly 10 or 12 years, because the work can be adjusted by committees and by informal documents which are prepared and submitted—

The CHAIRMAN. I do not think that is an answer to my question. I asked you whether you will give us a copy of your regulations or rules, or whatever you call them?

Mr. SANDFORD. I have no copy which might be considered up to date.

The CHAIRMAN. Do you keep minutes?

Mr. SANDFORD. When meetings occur; yes, sir. There are four conferences. There is no one set of documents which concern all four.

Mr. HAWLEY. We would be quite content to have the set of documents that concerns each one.

The CHAIRMAN. Take each one at a time. We would like to have any set of rules that you have; I don't care whether they are printed or not.

Mr. SANDFORD. I should be very glad to submit to you anything that can have a bearing on your request.

Mr. LONGWORTH. Who appoints the committees?

Mr. SANDFORD. The committees are appointed—it is difficult to answer that question.

Mr. LONGWORTH. Well, have you a committee on committees?

Mr. SANDFORD. No; we have not.

Mr. LONGWORTH. Do you act generally under Cushing's Manual or under Reed rules?

Mr. SANDFORD. We have very informal procedure.

Mr. LONGWORTH. Do you take your vote by yeas and nays or by an unofficial ballot?

Mr. SANDFORD. It would depend; yeas and nays or unofficially.

Mr. LONGWORTH. And the majority of those votes cast decides the question?

Mr. SANDFORD. All questions must be unanimously acted upon by all interested lines to become operative.

Mr. LONGWORTH. Oh, you proceed by unanimous consent entirely?

Mr. SANDFORD. Yes. No line is required to be governed by any action with which it is not in full accord.

The CHAIRMAN. Take a concrete instance. Suppose the Collector issues an order that no boat shall come up the bay to your several piers except between certain hours, and that changes the present regulation. Now, who determines as to whether you shall go down to the Collector and attempt to get him to go back to the old rule or get a new one?

Mr. SANDFORD. That question has never come up.

The CHAIRMAN. I am trying to get at any concrete question that might come up. What was the last communication you had from the Collector of the port?

Mr. SANDFORD. The last communication related to lists of unclaimed and unaccompanied passengers' baggage. The Collector made a request for certain procedure. The course taken was to notify all lines of the request, and the matter was disposed of.

Mr. LONGWORTH. To whom was the letter addressed?

Mr. SANDFORD. It was addressed to the conference.

Mr. LONGWORTH. To what conference?

Mr. SANDFORD. To me.

Mr. LONGWORTH. To you, personally?

Mr. SANDFORD. Yes; as a matter of fact, it was.

Mr. LONGWORTH. Then you notified by telephone—

Mr. SANDFORD. I made a copy at once and sent it to all lines.

Mr. LONGWORTH. To each member?

Mr. SANDFORD. Yes.

Mr. GARRETT. What did they do with that baggage; sell it?

Mr. SANDFORD. It is a hard question to solve.

(The following paper was filed with the committee:)

UNITED STATES CUSTOMS-MATTERS.

NEW YORK, November 11, 1910.

[Memo. to the New York passenger lines.]

UNCLAIMED AND UNACCOMPANIED PASSENGERS' BAGGAGE.

[Request from collector of customs, New York, to file lists and concerning disposition thereof.]

Hon. William Loeb, jr., collector of customs, New York, writes November 9, 1910.

Subject-matter is before the standing committee of the lines on customs. Please await their report; but meanwhile communicate for their consideration any comments you individually desire to make upon this request.

Collector of customs, New York, to conference, November 9, 1910.

"I am advised that much difficulty is experienced by the inspectors on the piers in securing a list and the custody of unclaimed and unaccompanied passengers' baggage arriving on passenger-carrying vessels. An order was issued some time ago by this office requesting that baggage unaccompanied by passengers be listed on the steamers' manifests under the caption 'Baggage unaccompanied by passengers'."

panied by passengers,' and that a copy of these manifests be furnished to the discharging inspectors so that they could locate such unaccompanied baggage and properly dispose of same. This order has not been satisfactorily complied with and reports are constantly being made that baggage is landed, although not listed on the manifests or in any other way.

"To remedy these conditions I have to request that you cooperate in this matter and bring to the attention of the various steamship companies a new plan of procedure, which, I am sure, if followed, will obviate all future difficulties of this kind. I have to request, therefore, that you notify the agents of the various lines to require their baggage-masters stationed on the piers that, immediately after the docking of the vessel and the examination of the baggage is disposed of, they gather together all unaccompanied baggage and have the same landed on the pier without unnecessary delay, together with such other baggage as is on the pier unclaimed, and that they make several lists of all such unaccompanied and unclaimed baggage and turn over one of such lists, together with the baggage accumulated, to the discharging inspector of the vessel for verification. And, thereafter, when the baggage is disposed of, to forward one copy of the list to the law division of this office for comparison with the inspector's return, and that upon the subsequent arrival of the steamer they make a 'post entry' of all baggage which was not included on the manifest previously entered in the customhouse.

"This plan of procedure will tend to fix the responsibility and make it possible to look to one certain individual for explanation and information in baggage matters of this kind. Heretofore the responsibility has been shifted from one person to another, and in the attempt to regulate these matters very little has been accomplished.

"Trusting you will give this consideration, I remain,

"_____."

The CHAIRMAN. How long has this Atlantic Conference been in existence?

Mr. SANDFORD. There have been conferences for more than 40 years. The first was established about 1867 by the lines in the British business, and they were subsequently joined by the Continental lines. The Mediterranean Conference at first consisted of 4 or 5 members, and to-day has 20 members.

The CHAIRMAN. You mean 20 steamship lines?

Mr. SANDFORD. Yes.

The CHAIRMAN. How many steamship lines are there in the conference altogether?

Mr. SANDFORD. Companies?

The CHAIRMAN. Yes.

Mr. SANDFORD. More than 35.

Mr. LONGWORTH. How many of those are American companies?

Mr. SANDFORD. There is only one under the American flag.

Mr. LONGWORTH. What is that?

Mr. SANDFORD. The American Line.

Mr. LONGWORTH. How long has that been a member of the conference?

Mr. SANDFORD. Since it was established in the seventies.

Mr. LONGWORTH. And is now?

Mr. SANDFORD. Yes.

Mr. LONGWORTH. That includes the passenger steamers that run under the American flag?

Mr. SANDFORD. All the steamers of the American Line.

Mr. LONGWORTH. Could you mention those; do you happen to recollect them?

Mr. SANDFORD. The four steamers in the New York-Southampton service are the *St. Louis*, *St. Paul*, *Philadelphia*, and *New York*. At present in the Philadelphia-Liverpool service there are the *Hav-*

erford, the *Merion*, and ships of that character, about four or five, probably.

Mr. LONGWORTH. But that is a part of the American Line?

Mr. SANDFORD. Yes; the Philadelphia-Liverpool service.

Mr. HAWLEY. Do questions of changes of rate on freight or passengers come before the conference?

Mr. SANDFORD. No; the lines, as a matter of convenience, exchange circulars on passenger rates through the conference office.

Mr. HAWLEY. Is there a general level of rates among all the lines?

Mr. SANDFORD. The rates vary materially.

Mr. HAWLEY. Some lines charge more, and some charge less?

Mr. SANDFORD. Yes.

Mr. HAWLEY. Your conference makes no attempt to regulate that?

Mr. SANDFORD. None whatever.

Mr. HAWLEY. There is no agreement to maintain any given schedule of rates?

Mr. SANDFORD. No.

The CHAIRMAN. Does that apply to steelage rates as well as first, second, and third class?

Mr. SANDFORD. Yes; all classes.

The CHAIRMAN. Well, I again ask you whether you think you can furnish the rules by which the several conferences are governed?

Mr. SANDFORD. I would be very glad to furnish them.

The CHAIRMAN. We would be glad to have you. I have before me a copy of the subpoena, or the original subpoena, served on you. We asked you to "bring with you any and all letters, documents, or papers relative to any combination or pools of steamship lines, or agreements in connection with freight and passenger rates, or in connection with Atlantic or any other conference." Now, have you any documents in regard to any agreement as to rates in your possession as secretary of this conference?

Mr. SANDFORD. None.

The CHAIRMAN. How long have you been the secretary?

Mr. SANDFORD. With a gap of three years, for 17 years.

Mr. HAWLEY. When did the gap occur?

Mr. SANDFORD. Between November 1, 1903, and December 31, 1906.

The CHAIRMAN. How were you originally employed? By whom, I mean.

Mr. SANDFORD. By the Continental Conference.

The CHAIRMAN. Well, who composed that; what individuals?

Mr. SANDFORD. At that time the French Line, the Holland-American Line, the Hamburg-American Line, the North German Lloyd, and the Red Star Line.

Mr. HAWLEY. Did you bring the minutes of your conference with you to-day?

Mr. SANDFORD. No.

Mr. HAWLEY. They would be covered by what is required in the subpoena.

Mr. SANDFORD. I thought that referred to the documents characterized specifically, and I had none.

Mr. HAWLEY. We asked for all letters, documents, or papers in connection with the Atlantic or any other conference.

Mr. SANDFORD. I appear to have misread the subpoena, unintentionally. It was quite unintentional. I thought it was simply in reference to pools and rates.

Mr. HAWLEY. I am very much dissatisfied with the testimony, and I think possibly we might defer further examination until we have the minutes or agreements or regulations of the several conferences, upon which we can base our inquiry, Mr. Chairman.

The CHAIRMAN. Mr. Sandford, we would like you to bring all papers which will cast any light upon this matter.

Mr. SANDFORD. Any light upon what? The question of the organization of the conference?

The CHAIRMAN. The organization of the conference, the rules which govern you, and any minutes which you have. That is what we expected to get when we served the subpoena.

The committee will have another hearing at 2 o'clock to-morrow afternoon, and we would like you, Mr. Sandford, to attend and produce these papers. My own feeling is, speaking for myself alone and not for the other members of the committee, that we are not getting anywhere with our present examination. You must have rules and regulations that govern these particular conferences, and we want to know what they are. We think it is entirely germane to this inquiry to have those papers, and we think we have the right to demand them.

Mr. GARRETT. Can you not state to us now in a general way what the purpose of this organization is?

Mr. SANDFORD. It would be a long story; the ramification of the work are great.

Mr. GARRETT. You refer to the Atlantic Line as a member of the conference?

Mr. SANDFORD. There is no such line.

Mr. GARRETT. The American Line?

Mr. SANDFORD. Yes; the American Line.

Mr. GARRETT. Does that receive a subvention under the act of 1891?

Mr. SANDFORD. I believe so.

Mr. GARRETT. Do you know how that is?

Mr. SANDFORD. My knowledge is limited to the perusal of Mr. Chamberlain's reports.

Mr. LONGWORTH. Are any South American lines represented?

Mr. SANDFORD. No.

Mr. LONGWORTH. You say that circulars are exchanged containing rates. Just what do you mean by that?

Mr. SANDFORD. The companies publish their rates, and as a matter of convenience the several companies exchange their circulars through the conference office. They send a supply and it is distributed among the others, a mutual arrangement simply for convenience. The circulars referred to are those published for the information of the traveling public, and for the agents of the different companies, and as a matter of convenience a few copies are sent to the conference office for exchange amongst the various members.

The CHAIRMAN. Then you will please be here at 2 o'clock to-morrow with the papers we have asked for.

Mr. GARRETT. And will you please prepare, in as concrete form as possible, at least a general statement of the object and purposes of this organization.

(Whereupon, at 4.30 p. m., the committee adjourned until to-morrow, Thursday, December 1, 1910, at 2 p. m.)

UNITED STATES CUSTOMHOUSE, NEW YORK CITY,
Thursday, December 1, 1910.

The committee met at 2 o'clock p. m., pursuant to adjournment of yesterday, November 30, 1910.

Present: Messrs. Olcott (chairman), Longworth, Hawley, and Garrett.

TESTIMONY OF LAWSON SANDFORD—Continued.

Lawson Sandford, heretofore sworn as a witness, resumed the stand for further examination.

The CHAIRMAN. Have you brought with you the papers showing the rules or by-laws or constitution of these associations which you have spoken of?

Mr. SANDFORD. I have a set of rules or minutes, or whatever they may be termed, of each of the four subdivisions of the Trans-Atlantic Conferences.

The CHAIRMAN. How many of them are there altogether?

Mr. SANDFORD. Four. The passenger conferences rules and regulations for the passenger business are identical, to all purports, for each of the three Passenger Conferences. The rules of the Freight Conferences are, of course, dissimilar, as they deal with freight business.

The CHAIRMAN. Are all four of them here?

Mr. SANDFORD. This set of the Mediterranean Conference is typical of the three passenger conferences.

(Papers referred to, headed "The Mediterranean Conference, new series, No. 1, issued February 11, 1910," and accompanying set of rules and agents' agreement were filed and marked Exhibit No. 134, and are as follows:)

EXHIBIT No. 134.

MINUTES.

[Will the lines kindly advise secretary whether record and action confirmed, and do so as promptly as possible? Not operative until confirmed.]

"Awaiting confirmation." Issued February 11, 1910.

THE MEDITERRANEAN CONFERENCE—NEW SERIES.—No. 1.

Minutes of organization meeting of the Mediterranean Conference (new series), held at No. 17 State street, New York, on Thursday, February 10, 1910, at 2.30 p. m.

Present: R. H. Farley, American, Red Star, and White Star lines; W. J. Reilly, Anchor Line; Charles H. Phelps, jr., Austro-Americana; R. L. Walker, H. H. Kellerman, Cunard Line; D. H. E. Jones, E. Ter Kulle, Fabre Line; C. Treyvoux, French Line; Emil Lederer, Hamburg-American Line; C. Vande Stadt, Holland-American Line; William Hartfield, Luigi Solari, Italia, La Veloce, Navigazione; Albert Egelhoff, Lloyd Italiano; Cesare Conti, Lloyd Sabudo; Hermann Winter, North German Lloyd; G. Peirce, Sicula-Americana; F. Tocci, Spanish Line.

On motion, Mr. R. H. Farley was called to the chair.

It was stated that the National Steam Navigation Company (Limited), of Greece, had applied for membership, which has been accepted; but that in the temporary absence of their general agent, Mr. Iitsas, it was mutually deemed best to defer effectiveness of their formal cooperation. The National Greek Line is to file a list of agents they now employ under contract, to whom special commissions are paid, with date of expiry.

ORGANIZATION AND MEMBERSHIP.

1. Whereas steamship lines engaged in the trans-Atlantic trade between the Mediterranean and North Atlantic ports of America have for many years maintained a voluntary association to establish and execute rules and regulations for the proper conduct of their business in America, in the mutual interest, to insure the good conduct of agents and to prevent any undue advantage being taken of the public.

2. *Resolved*, That these lines continue this association, under designation the Mediterranean Conference (new series), reaffirming such of the previous rules and regulations as are still applicable (to be embodied herein) for the working of the passenger business in America, and to take action on new matters that may from time to time be considered necessary or desirable to conserve the best interests of the Mediterranean passenger business.

3. *Resolved*, That the lines party hereto and forming the Mediterranean Conference (new series) shall comprise the following, viz: American Line, Anchor Line, Austro-Americana, Cunard Line, Fabre Line, French Line, Hamburg-American Line, Holland-America Line, Italia, La Veloce, Lloyd Italiano, Lloyd Sabaudo, Navigazione Generale Italiana, North German Lloyd, Red Star Line, Sicula-Americana, Spanish Line, White Star Line; and that this reorganization of the Mediterranean Conference shall be considered as established and its obligations binding, so soon as these presents are ratified and approved by the representatives of all the lines.

4. *Resolved*, That the members of this conference agree, one with the other, to faithfully abide by and fulfill every rule and obligation adopted at its meetings or otherwise, in spirit as well as letter, and this undertaking is considered as made upon honor.

5. *Resolved*, That the members of this conference undertake to consider and maintain all questions and actions that may be considered or adopted in connection herewith as sacred and confidential in the highest degree; and that in any case where it is necessary to communicate conference or individual action to anyone whatsoever, it shall be done as an individual communication or instruction, and no reference shall be made to conference action.

This resolution also means that minutes, memos, and dockets shall not be communicated to general passenger agents who may be acting as agents or subagents of other lines.

6. *Resolved*, That no communication shall be issued by any line fulfilling any conference action or in regard thereto until secretary declares unanimous confirmation thereof has been obtained, and then only as is necessary to conform the business of that line to the action taken.

PROCEDURE.

Meetings.

7. Meetings of conference may be called by request of any member at any time on forty-eight hours' notice, on stating subjects for consideration in the call.

Quorum.

8. The presence of the representatives of a majority of the lines shall constitute a quorum; but no line shall be bound by any resolution adopted in the absence of its representative unless the same be subsequently approved by him.

Chair.

9. The chair shall be taken by the representatives of the several lines in rotation, in the alphabetical order of the names of their respective lines.

Action must be unanimous.

10. All questions that may come before a meeting or that may be otherwise dealt with must be agreed to unanimously by all the members, to be of any effect. Each line is entitled to one vote.

When operative.

11. When any action shall be adopted at a meeting of conference or otherwise, and no time is specified at which it shall become operative, such action shall take effect upon the delivery to the several members of the confirmed minutes or memo, in which it is recorded.

Memos. dockets.

12. The regular series of prompt memos. on current subjects, and a serial docket, shall be continued.

No subject not so presented may be brought up at a meeting, except by unanimous consent.

Withdrawal.

13. Any member may withdraw from the conference at any time on giving written notice of intention so to do to the secretary.

Rules—Observance of.

14. No line or any of its offices or general passenger agents shall be justified in committing any breach of any conference rule or regulation, because some other line or office or general passenger agent has been or is alleged to be doing so.

[Recording of rules to be continued at next meeting—digest to be completed and handed to the lines meanwhile.]

15. Arranged that the record of cancellation be erased in respect to the following agents (effective on notice of confirmation of these proceedings): G. Anastos, 9 Ferry Street, Boston; Andreas & Patterson, Worcester, Mass.; Bell Brothers, Worcester, Mass.; A. Catopoulos, 5½ Carlisle Street, New York; Coroness Bros., 708 South Sixth Street, Philadelphia; George & C. Couzoules, 521 Market Street, Lowell, Mass., and at Nassau, N. H.; V. Garofalo, New York; J. P. D. Lenardarks, Lowell, Mass.; Peter Kutrubes, 22 Wallis Street, Peabody, Mass.; Marty & Co., 66 Spruce Street, Manchester, N. H.; Rompapas, Manchester, N. H.; John Rompapas, 33 James Street, New York; J. S. Savithes, Lowell, Mass.; Sveta Stojkov, 1157 Russell Street, Detroit, Mich.

Adjourned.

Confirmed:

Chairman.

RULES AND REGULATIONS.

[Circular No. 1—Sixth series.]

THE MEDITERRANEAN CONFERENCE.

[American Line, Anchor Line, Austro-Americana, Compania Transatlantica de Barcelona, Cunard Line, Fabre Line, French Line, Hamburg-American Line, Holland-America Line, Italia Societa di Navigazione a Vapore, "La Veloce," Navigazione Italiana a Vapore, Lloyd Italiano, Lloyd Sabaud, Navigazione Generale Italiana (Florio Line), North German Lloyd, Prince Line, Red Star Line, Sicula-Americana, White Star Line.]

To all agents:

The rules and regulations as now in force, of each of the lines, covering all of their several services, and which relate to first class, second class, and third class or steerage passages, are reprinted below for the convenience and guidance of agents.

The agents must comply with the letter and spirit of these rules and regulations, under the alternative of loss of agency or such other action as may be warranted in each case.

Agents are especially requested, in compliance with a rule below, to report any violation of the rules and regulations that may come to their knowledge, with proof, to the conference.

Each line will fix and will announce on its own circulars the rates of passage by its steamers and the commissions to be retained by its agents.

The rules and regulations are as follows:

1. All tickets must be sold at current tariff rates. The entire amount of commission granted by the line must be retained by its agents. All drawbacks, discounts, credits, commissions, presents, or allowances, of any description, made with a view of influencing passengers, are prohibited. No improper inducements shall be held out, directly or indirectly, to purchasers of tickets, whether by offer in letter, circular or newspaper advertisement or otherwise.

2. Steerage passengers booked through to inland points in Europe and to points in the Orient or to or from inland points in America, on both outward (eastbound) and prepaid (westbound) business, shall be charged the actual tariff inland America and [or] European rail rates in addition to the ocean fare, except where special through rates are authorized by circular of a steamship line.

3. The actual amount received for passage money must always appear on the passage ticket, which must also bear the actual date of issue and place of sale. Advices of all sales must be sent to the general agents promptly, accompanied by remittance.

4. No commission will be paid by any line to agents on letters or cards of introduction. No agent shall be entitled to a commission except on the actual issue of a ticket and direct receipt by him of the passage money.

No agent shall accept any commission or allowance of any description from any person, firm, or company, in Europe or in America, on the business he transacts, except the commission granted him by the conference line or lines he represents by direct appointment.

5. No agent shall send or allow others to send his tickets outside of his own office for sale. No agent shall sell tickets to or have dealings with former or disqualified agents, peddlers, runners or persons of any sort, endeavoring to do steamship business, nor shall he be allowed to employ agents of any description, or any person to solicit steamship business in front of his office.

6. Agents shall be allowed to sell passage tickets only in the office for which they have been appointed. No agent shall be allowed to sell tickets for a line he does not represent or assist in any way to procure such tickets. No agent shall be allowed to sell tickets to another agent over any line which the latter does not represent. Agents are prohibited from advertising themselves as agents for, or to do business in any way over, lines they are not authorized to represent by direct appointment.

7. No agent shall hold or accept for sale any form of tickets other than those supplied him by the conference line or lines he represents. No agents shall issue orders, certificates, passage contracts, or tickets of his own or of any other individual or firm, etc., nor shall he be permitted to issue orders, certificates, passage contracts, or tickets on private correspondents or firms in Europe or elsewhere for outward or prepaid business. No agent shall advise the names or addresses of prepaid passengers to anyone in Europe or elsewhere.

8. Any agent who shall be ascertained to be in default to a line, member of this conference or of the Continental Conference or of the North Atlantic Passenger Conference, shall thereupon be dismissed and disqualified by all the lines members of these conferences.

9. Agents are prohibited from booking passengers for any steamer except those of the lines members of the Continental, the Mediterranean, and the North Atlantic Passenger conferences, unless conference gives express permission in writing. Agents are prohibited from selling passage tickets under false representations as to the line or the route by which the passenger is to be transported.

10. Advertising.

(a) By the term "advertisement" shall be covered all posters, circulars, handbills, or other announcements in regard to steamship business, newspaper advertising, paid reading notices, etc.

(b) All advertisements shall conform to the truth.

(c) No comparison shall be made in any advertisement or verbal statement made reflecting upon or instituting unfavorable comparisons between one line or steamer and any other.

(d) All advertisements shall contain the date and place of issue.

(e) All advertisements or offers otherwise of a rate of passage to or from Europe shall include the name of the line and service (and/or steamer if more than one rate applies to its steamers) over which the rate is available, and with a rate advertised or offered otherwise in the interior a clear statement shall be made whether it is for ocean passage or for through ocean and rail passage and showing the class of accommodation covered thereby.

(f) All advertisements announcing reductions in rates shall include the actual rates.

(g) No cut of a steamer not employed in the Mediterranean trade of a line, member of this conference, shall be used in an advertisement.

(h) No claim shall be made in an advertisement of a greater size for a steamer than the gross registered tonnage of such steamer.

(i) Bill posting must be restricted at all places to the immediate premises of each agent.

(k) No agent shall advertise himself as a "general agent" or "general passenger agent" on letterheads or otherwise.

11. No advices of prepaid steerage tickets will be accepted by any line unless the passengers are booked through to final destination on steamship company's blanks. Agents must remit immediately upon the sale of a prepaid steerage ticket for the ocean and inland transportation to either the general agency at the port of landing in America of the steamship company by which the prepaid passenger is to be forwarded or to the official general passenger agency of such company in the interior in whose territory the agent is located.

12. When an agent is disqualified, the sale of steamship tickets for all classes of business at his place or places of business and/or residence is thereby prohibited.

By the term "agent" is covered the individual or the members of a firm employed as agent.

The members of a firm declared disqualified are therefore also declared to be individually disqualified.

13. Agents will be held responsible for all transactions relating to the business of the lines carried on in their offices or premises, whether by themselves or others.

14. Agents shall not be entitled to commission on tickets purchased to test the observance of rules, even though no rule may have been violated in making the sale.

15. No agent shall be justified in committing any breach of these rules because some other agent may be doing so. It shall be the duty of every agent to adhere strictly to the rules, and to report any violation thereof that may come to his knowledge, with proof in the form of an affidavit, to the conference.

19 Broadway, New York, September 15, 1905.

AGENTS' AGREEMENT.

MEDITERRANEAN CONFERENCE AGREEMENT.

Whereas certain steamship companies engaged in transporting passengers between Mediterranean and United States ports have formed an association known as "The Mediterranean Conference," and whereas certain rules and regulations have been by them adopted for the purpose of insuring the good conduct of their agents and to prevent undue advantage being taken of the public, now this agreement by and between _____ for the line of steamships known as _____, party of the first part, and _____, party of the second part, witnesseth: In consideration of one dollar to each of said parties in hand paid by the other, it is mutually agreed between them as follows:

First. The party of the second part hereby agrees to become the agent of the party of the first part for the booking of passengers at No. _____ and to abide by the rules and regulations of said Mediterranean conference as embodied herein, and not only those rules already made, but any rules that may be hereafter lawfully made and announced by said conference during the continuance of this agreement.

Second. The party of the second part having made the deposit required by the conference in the place in which he is located, as particularly set forth in rule 1 of article 4 of this agreement, hereby agrees that said deposit shall be paid to and held by the treasurer of said Mediterranean conference, in trust, as a guaranty that the party of the second part will keep all of said conference rules, and faithfully adhere to the terms of this agreement.

Third. The party of the second part hereby covenants that he will well and faithfully maintain and adhere to the published rates of passage of the party of the first part, and always enter the actual amount received for passage money on the passage ticket, with the actual date of issue and place of sale;

also that he will make no return, or division, of any portion of the commission and no deduction from the inland fare; and that he will hold out no improper inducements directly or indirectly to purchasers of tickets, nor grant or permit any drawbacks, discounts, credits, commissions, presents, or allowances of any description whether by offer in letter, circular, or newspaper advertisement, or otherwise.

Fourth. The party of the second part hereby covenants that he will well and faithfully keep the following rules of said conference (which are incorporated in and made conditions of this agreement) and that he will pay all of the fines and liquidated damages, and submit to all of the disqualifications which are in said rules provided.

RULE 1st. No agent in New York, Brooklyn (Williamsburg), Newark, Jersey City, Hoboken, Yonkers, and Mt. Vernon shall be appointed by any line, member of conference, until he shall have first deposited the sum of two hundred and fifty dollars, and no agent in New Haven or in any other city or place within fifty miles of New York, but not in any of the cities just named, and no agent in Chicago shall be appointed until he shall have first deposited the sum of one hundred dollars with the treasurer of the conference, to be held in trust by him, and subject to the conditions and fines or other debts hereinafter provided by these rules. Upon an agent having once complied with this rule, no further deposit shall be required of him on becoming agent for another line in this conference so long as said deposit has not been impaired by forfeitures for violation of these rules. Agents in Providence, Olneyville, Natick, and Thornton, R. I., are subject also to the terms of this rule and to a deposit of one hundred dollars.

RULE 2d. No commission will be paid by any line to agents on letters or cards of introduction. No agent shall be entitled to a commission except on the actual issue of a ticket and direct receipt by him of the passage money.

RULE 3d. No agent shall send or allow others to send his tickets outside of his own office for sale. No agent shall sell tickets to or have dealings with former or disqualified agents, peddlers, runners, or persons of any sort endeavoring to do steamship business, nor shall he be allowed to employ agents of any description or any person to solicit steamship business in front of his office.

RULE 4th. City agents shall be allowed to sell passage tickets only in the office for which they have been appointed.

RULE 5th. No agent shall hold or accept for sale any tickets other than those supplied him by the conference line or lines he represents. No agent shall issue orders, certificates, passage contracts, or tickets of his own or of any other individual or firm, etc., nor shall he be permitted to issue orders, certificates, passage contracts, or tickets on private correspondents or firms in Europe or elsewhere for outward or prepaid business, nor to advise the names or addresses of prepaid passengers to anyone in Europe or elsewhere.

RULE 6th. Any agent who shall be ascertained to be in default to a line member of this conference or of the Continental Conference or of the North-Atlantic Passenger Conference shall thereupon be dismissed and disqualified by all the lines members of these conferences, and his deposit shall be held to satisfy any claim against him on the part of a line member of this conference.

RULE 7th. Agents in the cities where this agreement applies are permitted to accept deposits from out-of-town customers to bind an order for an east-bound steerage ticket, but this privilege must not be used in any way which might interfere with the letter and spirit of the conference rules.

RULE 8th. Agents are prohibited from booking passengers for any steamer except those of the lines members of the Mediterranean, the Continental, and the North-Atlantic Passenger Conferences unless conference gives express permission in writing. Agents are prohibited from selling passage tickets under false representations as to the line or the route by which the passenger is to be transported.

RULE 9th. Agents are prohibited from advertising themselves as agents for, or to do business in any way over, lines they are not authorized to represent by direct appointment.

RULE 10th. Steerage passengers booked through to inland points in Europe and to points in the Orient other than the conference points, Naples, Genoa, Messina, and Palermo, or to inland points in America shall be charged the actual tariff rates from port of debarkation to destination in addition to the ocean fare.

RULE 11th. Agents shall not be entitled to commission on tickets purchased to test the observance of rules, even though no rule may have been violated in making the sale.

RULE 12th. On all money-exchange transactions directly or indirectly with purchasers of or passengers on steamship tickets issued by an agent, the latter must charge such a rate as will reserve to him a profit on the exchange of not less than one-half of 1 per cent above the official posted sight rate of exchange of any recognized banking house dealing in foreign money and exchange on the same day when such transaction is made. In case of complaints alleging use of improper rates of exchange, the right to use rates made must be evidenced by bills or bulletins of, or by affidavits made by, the banking house from which the exchange sold was obtained by the agent. This rule does not apply to transactions where the amount exchanged exceeds \$1,000.

RULE 13th. Advertising.

(a) By the term advertisement shall be covered all posters, circulars, hand-bills, or other announcements in regard to steamship business, newspaper advertising, paid reading notices, etc.

(b) All advertisements shall conform to the truth.

(c) No comparison shall be made in any advertisements between one line or steamer and any other.

(d) All advertisements shall contain the date and place of issue.

(e) All advertisements or offers otherwise of a rate of passage shall include the name of the line and service over which the rate is available, and with a rate advertised or offered otherwise in the interior a clear statement shall be made whether it is for ocean passage or for through ocean and rail passage.

(f) All advertisements announcing reductions in rates shall include the actual rates.

(g) No cut of a steamer not employed in the Mediterranean trade shall be used in an advertisement.

(h) No claim shall be made in an advertisement of a greater size for a steamer than the gross registered tonnage of such steamer as published in Lloyd's Register, the Bureau Veritas, or Germanischer Lloyd.

(i) Before trial of any advertising complaint, an opportunity shall be afforded to the agent complained of to correct the advertisement, but such action must be taken immediately and suitable explanation offered.

RULE 14th. Billposting must be restricted at all places to the immediate premises of each agent.

RULE 15th. When an agent is disqualified, the sale of steamship tickets for all classes of business at his place or places of business and/or residence is thereby prohibited.

By the term "agent" is covered the individual or the members of a firm employed as agent.

The members of a firm declared disqualified are therefore also declared to be individually disqualified.

RULE 16th. Agents will be held responsible for all transactions, relating to the business of the lines, done in their offices or premises, whether by themselves or others.

RULE 17th. No advices of prepaid (westbound) steerage tickets will be accepted by the lines, unless the passengers are booked through to final destination on steamship companies' blanks. Agents in all cases shall remit immediately upon the sale of a prepaid (westbound) steerage ticket for the ocean and inland transportation to the general agent at the port of landing in America of the steamship company by which the prepaid (westbound) passenger is to be forwarded, except that agents in Chicago shall remit to the general representatives of the lines in that city.

RULE 18th. No agent shall accept any commission or allowance of any description from any person, firm, or company, in Europe or in America, on the business he transacts except the commission notified him by the conference line or lines he represents by direct appointment.

RULE 19th. No agent shall be justified in allowing commissions or committing any breach of these conference rules because some other agent may be doing so. It shall be the duty of every agent to adhere strictly to the rules, and report to the secretary of the conference any violation thereof that may come to his knowledge, with evidence in the form of an affidavit.

RULE 20th. If an agent is charged with or suspected of violation of any of these rules, or other rules adopted and announced by circular issued by said

Mediterranean conference, such charge shall be made to the secretary of the conference, whereupon the secretary shall send to the person so charged written notice stating the nature of the charge and the time and place when a hearing upon the same will be held by the conference. The agent charged shall be given a reasonable opportunity to be heard in defense or explanation. The conference shall thereupon proceed to hear and determine the question of such violation, and its decision thereon shall be final, and not subject to review by any court or in any legal proceeding.

RULE 21st. Upon the first determination of the conference that an agent has been guilty of violating any of these rules or of his contract with any line employing him, said agent shall forfeit to the conference a fine not to exceed \$50 for each and every such violation of the rules, or for each adult improperly booked, which fine shall be paid to the conference; in the event of the agent failing to pay such fine within seven days from date of notification by the secretary of the imposition of the fine, the amount thereof shall be deducted from the deposit made as provided by Rule 1, and he shall be suspended from the privileges of receiving commissions or booking passengers until the deposit shall be renewed. Whenever, pursuant to Rule 20, an agent has been again found guilty by the conference of a violation of these rules, he shall forfeit to the conference from the deposit made as provided by Rule 1 another fine not to exceed \$150, or shall be suspended from the privilege of receiving commissions or booking passengers for any steamship line belonging to the conference for a term of sixty days, and shall not then be reinstated, unless said deposit be renewed, and he shall have made good any previous unsettled deficiency to the conference or the lines members thereof.

RULE 22d. Either the employer or the agent may terminate the agency, by either party giving to the other twenty-four hours' previous notice of the intention to do so; and in case no charges are pending against the agent, and upon surrender of, or payment for, all ticket blanks given him by the line or lines employing him, his deposit, or so much thereof as remains after deducting all forfeitures that may have been incurred by him, shall be repaid with interest at the rate received from the trust company in which it is deposited. If any charges shall be then pending, said deposit, or the balance thereof, shall remain subject to the action of the conference, as provided in the last preceding rule.

RULE 23d. The said Mediterranean Conference may at any time amend these rules, or issue new rules, but no such amendment shall take effect or such new rules go into operation as to any agent of any line in said conference until twenty-four hours after a printed circular, containing such amendment or new rule, shall have been delivered to such agent, during which time such agent shall be at liberty to give notice of his election to terminate the agency, as provided by Rule 22.

No complaint alleging violation of rules by agents will be considered by conference unless the affidavits in support thereof are filed with the secretary of conference for territory east of Chicago within fourteen days from date of their execution, and west of Chicago are filed with the secretary of the Chicago complaint committee within three weeks from date of their execution. Consideration of a complaint may be refused, no matter when it may be presented, where the affidavits in connection therewith, etc., are of a very much later date than the date of the alleged offence, or where it is evident a reasonable endeavor had not been made to bring the matter promptly to a head.

Fifth.—The party of the second part hereby agrees that he will render to the party of the first part true and accurate accounts of all eastbound and westbound passage tickets sold and passengers booked, and remit therewith the gross moneys received by his said agency therefor, including the commissions that may be granted by the party of the first part, and that such accounts shall be so rendered and payments made in cash promptly, the party of the second part further agreeing that he will remit to the party of the first part the gross moneys received by his said agency for the sale of passage tickets, within seven days from the date of the sale of such tickets, but for eastbound passage tickets not later than one day after the day of sailing of the steamer for which they have been sold, a non-compliance with this provision debarring him from receiving any commission for such passages above the minimum hereinafter stipulated and fixed.

Sixth. Until otherwise announced and fixed the party of the first part hereby agrees to allow to the party of the second part the following commissions on passengers booked under this agreement:

For every adult passenger, eastbound or westbound, booked directly by the party of the second part, not less than a minimum of one (1) cent or more than a maximum of two (2) dollars.

Children, eastbound, between 1 and 12 years, half the adult rate.

Children, westbound, 5 years and under 10 years, half the adult rate.

Children, westbound, 1 year and under 5 years, quarter the adult rate.

Infants under 1 year are not subject to any commission.

The party of the second part agrees to abide by the following rules of the party of the first part:

1st. The party of the first part shall determine on or about the 30th day of December and June what rate of commission, not exceeding a maximum of two (2) dollars per adult, nor less than a minimum of one (1) cent per adult, shall be paid to the party of the second part for the business transacted by him for the party of the first part during the preceding six months.

2d. The party of the first part reserves the right to refuse payment of a part or the whole of any rate of commission above the minimum of one (1) cent per adult in case the party of the second part may have violated any part of this agreement during the preceding six months.

3d. The rates of passage shall be fixed and notified from time to time by circular of the party of the first part.

Seventh. By the term "agent" shall be understood an individual or firm employed as such.

This agreement has been carefully read by both parties prior to execution, and in answer to a question of the party of the first part the party of the second part acknowledges that he understands the stipulations contained in the agreement and has no questions to ask in regard thereto.

In witness whereof, the parties hereto have executed these presents in triplicate, and have hereunder subscribed their respective names in the city of _____, this _____ day of _____ in the year nineteen hundred and _____.

In the presence of _____.

Mr. SANDFORD. The clause marked "sixth" in the agents' agreement is not operative. The Mediterranean Conference is typical. The Mediterranean Conference meeting held on the 10th of February, 1910, shows the character of the organization of the Passenger Conferences. Attached are printed rules for the guidance of agents.

The CHAIRMAN. Now, the first one that you present, as I understand it, is the one that is marked "Mediterranean Conference; new series No. 1, issued February 11, 1910," Exhibit No. 134.

Mr. SANDFORD. Yes. To avoid the necessity of frequent meetings, because the rules of the passenger business are on a firm foundation, informal memoranda are issued to the lines from time to time conveying current topics for the lines' information and for their action as they find themselves interested.

The CHAIRMAN. In other words, you send around to these various members of your conference matters that will come before a meeting?

Mr. SANDFORD. Or be disposed of by informal action.

The CHAIRMAN. In other words, by correspondence?

Mr. SANDFORD. By correspondence.

The CHAIRMAN. Or by telephonic communication?

Mr. SANDFORD. Yes.

The CHAIRMAN. Referring to this Exhibit No. 134, this is merely marked "Issued February 11, 1910." The Conference had been in existence long before that, had it not?

Mr. SANDFORD. Oh, yes.

The CHAIRMAN. And just what is this exhibit?

Mr. SANDFORD. It is a compilation of those features of the conference work which are existent.

The CHAIRMAN. Does this cover all four of the Conferences?

Mr. SANDFORD. The rules are similar.

The CHAIRMAN. Do you mean they are identical?

Mr. SANDFORD. The purpose of the association is the same. It might properly be characterized as a clearing house for the interested lines.

Mr. LONGWORTH. Why is this circular sent out from 19 Broadway?

Mr. SANDFORD. That was the old office.

The CHAIRMAN. How long have you been at 17 State Street?

Mr. SANDFORD. Since March, 1909.

Mr. GARRETT. I note that rule 1 says: "1. All tickets must be sold at current tariff rates." What does that mean?

Mr. SANDFORD. That the published tariff rates of the lines who are parties to this circular—

Mr. HAWLEY. Are those tariff rates uniform?

Mr. SANDFORD. No.

Mr. HAWLEY. Each line makes such rates as it thinks advisable?

Mr. SANDFORD. The Conference has not to do with rates whatsoever.

The CHAIRMAN. They must have something to do with rates, or they would not start off the first regulation, "All tickets must be sold at current tariff rates."

Mr. SANDFORD. The prime object of the control of agents is to require that the compensation which they receive in the form of commissions shall be retained.

Mr. HAWLEY. Why is it necessary that your Conference should require that, that the agents should retain the commissions?

Mr. SANDFORD. The rule antedates my time in the business.

Mr. HAWLEY. You probably know the reason of it.

Mr. SANDFORD. The reason for it is that the agents receive a commission for their services, and in order to give them the full benefit of that compensation they are required to retain it. If they did not, the tendency would be for agents in the same vicinity to unduly compete with each other, and practically do business at a loss. It is equivalent—this phrase is equivalent—to the law which I understand governs the sale of railroad tickets, that they must be sold at the tariff rates of the lines publishing them.

The CHAIRMAN. But does not this Conference in any way fix these current tariff rates?

Mr. SANDFORD. Not in the slightest. The commission has been fixed by each line, and has been in existence for years.

Mr. HAWLEY. Do you have a managing committee for each of these conferences?

Mr. SANDFORD. No.

Mr. HAWLEY. Do you have a managing committee for all the conferences?

Mr. SANDFORD. There is a managing committee for the office of the conference.

Mr. HAWLEY. How is that managing committee chosen?

Mr. SANDFORD. A representative from each of the four Conferences.

Mr. HAWLEY. Who constitutes that managing committee at present?

Mr. SANDFORD. Mr. Hermann Winter, of the North German Lloyd, from the Continental Conference; Mr. F. Toppin, of the American Line, for the North Atlantic Passenger Conference; Mr. William Hartfield, of the Navigazione Generale Italiana, for the Mediterranean Conference; and Mr. R. L. Walker, Cunard Line, for the Freight Conferences.

Mr. HAWLEY. What are the duties of this managing committee?

Mr. SANDFORD. I would not put this on the record, but to save me being required to do things which are not properly my work, not of other than individual interest. That was the original purpose of the managing committee, and it is a very useful thing for me. If I were asked to take up a thing I do not think I ought to take up, or that I do not think was germane, or if I have not the time to attend to it, I would appeal to the managing committee. The managing committee has charge of the office, the office staff, and the work.

The CHAIRMAN. When you say the managing committee has charge of the office, the office staff, and the work, that means that this committee is appointed by whom?

Mr. SANDFORD. Each member of the committee is appointed by the Conference he represents, and he represents them in respect to the Conference office, its staff, and the work.

The CHAIRMAN. Who promulgated these rules originally?

The SANDFORD. On the circular? [Indicating.]

The CHAIRMAN. Yes. We are talking now about that Exhibit 134.

Mr. SANDFORD. The rules have been in process of formation since the Mediterranean Conference was first established.

The CHAIRMAN. Were they finally adopted on September 15, 1905?

Mr. SANDFORD. That is merely the identification date of the issue of that particular circular.

The CHAIRMAN. Are there similar circulars issued for all of the conferences?

Mr. SANDFORD. The Passenger Conferences?

The CHAIRMAN. Yes.

Mr. SANDFORD. Yes.

(Mr. Sandford produced circulars which were received and marked as follows: "The Continental Conference, Circular No. 15, third series," and the "Continental Conference Agreement" marked "Exhibit No. 135;" "The North Atlantic Passenger Conference, Circular No. 3," marked "Exhibit No. 136." He also produced documents as follows: "The Trans-Atlantic Associated Freight Conferences, General Meeting No. 1, January 6, 1903, and accompanying rules, and also the minutes of a meeting held June 16, 1904," marked "Exhibit No. 137a;" and "The Trans-Atlantic Associated Freight Conferences, Port Executive Committee, minutes of meeting held at No. 17 State Street on June 9, 1910, and sundry memoranda," marked "Exhibit No. 137b;" and also minutes of meetings of "The Trans-Atlantic Associated Freight Conferences (New York), held on June 8, 1910, and August 17, 1910, and sundry memoranda," marked "Exhibit No. 138").

(The papers referred to are as follows:)

EXHIBIT No. 135.

RULES AND REGULATIONS.

[Circular No. 15.—Third series. This cancels all former circulars except No. 14, of May 23, 1905.]

THE CONTINENTAL CONFERENCE.

[Austro-Americana, Cunard Line, French Line, Hamburg-American Line, Holland-America Line, North German Lloyd, Red Star Line, Russian-American Line.]

To all agents:

The rules and regulations of each of the lines, covering all of their several services, as now in force, and which relate to first class, second class, and third class or steerage passages, are reprinted below for the convenience and guidance of agents.

The agents must comply with the letter and spirit of these rules and regulations, under the alternative of loss of agency or such other action as may be warranted in each case.

Agents are especially requested, in compliance with a rule below, to report any violation of the rules and regulations that may come to their knowledge, with proof, to the conference.

Each line will fix and will announce on its own circulars the rates of passage by its steamers and the commissions to be retained by its agents.

The rules and regulations are as follows:

(Note: The rules and regulations following are similar to the rules and regulations of the Mediterranean Conference, on page 1200, with the exception of subdivision (h) of rule 10, which reads as follows:)

(h) No claim shall be made in an advertisement of a greater size for a steamer than the gross registered tonnage of such steamer as published in Lloyd's Register, the Bureau Veritas, or Germanischer Lloyd.

19 Broadway, New York, August 15, 1905.

AGENTS' AGREEMENT.

CONTINENTAL CONFERENCE AGREEMENT.

Whereas certain steamship companies engaged in transporting passengers between European and United States ports have formed an association known as The Continental Conference, and whereas certain rules and regulations have been by them adopted for the purpose of ensuring the good conduct of their agents and to prevent undue advantage being taken of the public, now this agreement by and between ——— for the line of steamships known as ———, party of the first part, and ———, party of the second part, witnesseth: In consideration of one dollar to each of said parties in hand paid by the other, it is mutually agreed between them as follows:

First. The party of the second part hereby agrees to become the agent of the party of the first part for the booking of passengers at No. ——— and to abide by the rules and regulations of said Continental Conference as embodied herein, and not only those rules already made, but any rules that may be hereafter lawfully made and announced by said conference during the continuance of this agreement.

Second. The party of the second part having deposited the sum of two hundred and fifty dollars, as particularly set forth in rule 1 of article 4 of this agreement, hereby agrees that said deposit shall be paid to and held by the treasurer of said Continental Conference in trust, as a guarantee that the party of the second part will keep all of said conference rules and faithfully adhere to the terms of this agreement.

Third. The party of the second part hereby covenants that he will well and faithfully maintain and adhere to the published rates of passage of the party of the first part, and the published outward (east bound) and prepaid (west bound) rail rates, and always enter the actual amount received for passage money on the passage ticket, with the actual date of issue and place of sale—also that he will make no return or division of any portion of the commission and no

deduction from the inland fare; and that he will hold out no improper inducements directly or indirectly to purchasers of tickets, nor grant or permit any drawbacks, discounts, credits, commissions, presents or allowances of any description, whether by offer in letter, circular, or newspaper advertisement, or otherwise.

Fourth. The party of the second part hereby covenants that he will well and faithfully keep the following rules of said conference (which are incorporated in, and made conditions of this agreement) and that he will pay all of the fines and liquidated damages and submit to all of the disqualifications which are in said rules provided.

RULE 1. No agent in New York, Brooklyn (Williamsburg), Newark, Jersey City, Hoboken, Bayonne, Perth Amboy, Westchester County, N. Y., and on Staten Island, and in Chicago, shall be appointed by any line, member of conference, until he shall have first deposited the sum of two hundred and fifty dollars with the treasurer of the conference, to be held in trust by him, and subject to the conditions and fines or other debts hereinafter provided by these rules. Upon an agent having once complied with this rule, no further deposit shall be required of him on becoming agent for another line in this conference so long as said deposit has not been impaired by forfeitures for violation of these rules.

RULE 2. No commission will be paid by any line to agents on letters or cards of introduction. No agent shall be entitled to a commission except on the actual issue of a ticket and direct receipt by him of the passage money.

RULE 3. No agent shall send or allow others to send his tickets outside of his own office for sale. No agent shall sell tickets to or have dealings with former or disqualified agents, peddlers, runners, or persons of any sort, endeavoring to do steamship business, nor shall he be allowed to employ agents of any description or any person to solicit steamship business in front of his office.

RULE 4. Agents shall be allowed to sell passage tickets only in the office for which they have been appointed. No agent shall be allowed to sell tickets for a line he does not represent or assist in any way to procure such tickets. No agent shall be allowed to sell tickets to another agent over any line which the latter does not represent.

RULE 5. No agent shall hold or accept for sale any form of tickets other than those supplied him by the conference line or lines he represents. No agent shall issue orders, certificates, passage contracts, or tickets of his own or of any other individual or firm, etc., nor shall he be permitted to issue orders, certificates, passage contracts, or tickets on private correspondents or firms in Europe or elsewhere for outward or prepaid business. No agent shall advise the names or addresses of prepaid passengers to anyone in Europe or elsewhere.

RULE 6. Any agent who shall be ascertained to be in default to a line, member of this conference or of the Mediterranean conference or of the North Atlantic passenger conference shall thereupon be dismissed and disqualified by all the lines, members of these conferences, and his deposit shall be held to satisfy any claim against him on the part of a line, member of this conference.

RULE 7. Agents in the cities where this agreement applies are permitted to accept deposits from out-of-town customers to bind an order for an outward steamer ticket, but this privilege must not be used in any way which might interfere with the letter and spirit of the conference rules.

RULE 8. Agents are prohibited from booking passengers for any steamer except those of the lines, members of the Continental, the Mediterranean, and the North Atlantic passenger conferences, unless conference gives express permission in writing. Agents are prohibited from selling passage tickets under false representations as to the line or the route by which the passenger is to be transported.

RULE 9. Agents are prohibited from advertising themselves as agents for, or to do business in any way over, lines they are not authorized to represent by direct appointment.

RULE 10. Steamer passengers booked through to inland points in Europe or to or from inland points in America, on both outward and prepaid business, shall be charged the actual tariff inland American and [or] European rail rates in addition to the ocean fare, except where special through rates are authorized by circular of a steamship line.

RULE 11. Agents shall not be entitled to commission on tickets purchased to test the observance of rules, even though no rule may have been violated in making the sale.

RULE 12. On all money-exchange transactions directly or indirectly with purchasers of or passengers on steamship tickets issued by an agent, the latter must charge such a rate as will reserve to him a profit on the exchange of not less than one-half of one per cent above the official posted sight rate of exchange of any recognized banking house dealing in foreign money and exchange on the same day when such transaction is made. In case of complaints alleging use of improper rates of exchange the right to use rates made must be evidenced by bills or bulletins of, or by affidavits made by, the banking house from which the exchange sold was obtained by the agent. This rule does not apply to transactions where the amount exchanged exceeds one thousand dollars.

RULE 13. Advertising.

(a) By the term advertisement shall be covered all posters, circulars, handbills, or other announcements in regard to steamship business, newspaper advertising, paid reading notices, etc.

(b) All advertisements shall conform to the truth.

(c) No comparison shall be made in any advertisement or verbal statement made, reflecting upon or instituting unfavorable comparisons between one line or steamer and any other.

(d) All advertisements shall contain the date and place of issue.

(e) All advertisements or offers otherwise of a rate of passage to or from Europe shall include the name of the line and service (and [or] steamer, if more than one rate applies to its steamers) over which the rate is available, and with a rate advertised or offered otherwise in the interior a clear statement shall be made, whether it is for ocean passage or for through ocean and rail passage, and showing the class of accommodation covered thereby.

(f) All advertisements announcing reductions in rates shall include the actual rates.

(g) No cut of a steamer not employed in the North Atlantic trade of a line, member of conference, shall be used in an advertisement.

(h) No claim shall be made in an advertisement of a greater size for a steamer than the gross registered tonnage of such steamer as published in Lloyd's Register, the Bureau Veritas, or Germanischer Lloyd.

(i) Before trial of any advertising complaint an opportunity shall be afforded to the agent complained of to correct the advertisement, but such action must be taken immediately and suitable explanation offered.

(k) No agent shall advertise himself as a "general agent" or "general passenger agent" on letter heads or otherwise.

RULE 14. Bill posting must be restricted at all places to the immediate premises of each agent.

RULE 15. When an agent is disqualified the sale of steamship tickets for all classes of business at his place or places of business and [or] residence is thereby prohibited.

By the term "agent" is covered the individual or the members of a firm employed as agent.

The members of a firm declared disqualified are therefore also declared to be individually disqualified.

RULE 16. Agents will be held responsible for all transactions relating to the business of the lines carried on in their offices or premises, whether by themselves or others.

RULE 17. No advices of prepaid (westbound) steerage tickets will be accepted by any line unless the passengers are booked through to final destination on steamship companies' blanks. Agents in all cases shall remit immediately upon the sale of a prepaid (westbound) steerage ticket for the ocean and in land transportation to the general agent at the port of landing in America of the steamship company by which the prepaid (westbound) passenger is to be forwarded, except that agents in Chicago shall remit to the general representatives of the lines in that city.

RULE 18. No agent shall accept any commission or allowance of any description from any person, firm, or company in Europe or in America on the business he transacts except the commission notified him by the conference line or lines he represents by direct appointment.

RULE 19. In case agents find it necessary to sell through tickets from Russia, including frontier expenses, and for that express purpose employ agents or correspondents in Russia, the agents agree that they will be responsible for any acts on the part of such Russian agents or correspondents in handling the prepaid passengers they have booked which would in any way conflict with the letter or spirit of any rule of the lines.

RULE 20. No agent shall be justified in allowing commissions or committing any breach of these conference rules because some other agent may be doing so. It shall be the duty of every agent to adhere strictly to the rules, and report to the secretary of the conference any violation thereof that may come to his knowledge, with evidence in the form of an affidavit.

RULE 21. If an agent is charged with or suspected of violation of any of these rules, or other rules adopted and announced by circular issued by said continental conference, such charge shall be made to the secretary of the conference, whereupon the secretary shall send to the person so charged written notice stating the nature of the charge and the time and place when a hearing upon the same will be held by the conference. The agent charged shall be given a reasonable opportunity to be heard in defence or explanation. The conference shall thereupon proceed to hear and determine the question of such violation, and its decision thereon shall be final, and not subject to review by any court or in any legal proceeding.

RULE 22. Upon the first determination of the conference that an agent has been guilty of violating any of these rules or of his contract with any line employing him, said agent shall forfeit to the conference a fine not to exceed fifty dollars for each and every such violation of the rules, or for each adult improperly booked, which fine shall be paid to the conference; in the event of the agent failing to pay such fine within seven days from date of notification by the secretary of the imposition of the fine, the amount thereof shall be deducted from the deposit made as provided by Rule 1, and he shall be suspended from the privileges of receiving commissions or booking passengers until the deposit shall be renewed. Whenever, pursuant to Rule 21, an agent has been again found guilty by the conference of a violation of these rules or of his contract with any line employing him, he shall forfeit to the conference from the deposit made, as provided by Rule 1, another fine not to exceed one hundred and fifty dollars, or shall be suspended from the privilege of receiving commissions or booking passengers for any steamship line belonging to this conference for a term of sixty days, and shall not then be reinstated, unless said deposit be renewed, and he shall have made good any previous unsettled deficiency to the conference or the lines members thereof.

RULE 23. Either the employer or the agent may terminate the agency, by either party giving to the other twenty-four hours previous notice of the intention to do so; and in case no charges are pending against the agent, and upon surrender of, or payment for, all ticket blanks given him by the line or lines employing him, his deposit, or so much thereof as remains after deducting all forfeitures that may have been incurred by him, shall be repaid with interest at the rate received from the trust company in which it is deposited. If any charges shall be then pending, said deposit, or the balance thereof, shall remain subject to the action of the conference, as provided in the last preceding rule.

RULE 24. The said continental conference may at any time amend these rules, or issue new rules, but no such amendment shall take effect or such new rules go into operation as to any agent of any line in said conference until twenty-four hours after a printed circular containing such amendment or new rule shall have been delivered to such agent, during which time such agent shall be at liberty to give notice of his election to terminate the agency, as provided by Rule 23.

No complaint alleging violation of rules by agents will be considered by conference unless the affidavits in support thereof are filed with the secretary of conference for territory east of Chicago—within fourteen days from date of their execution—and west of Chicago are filed with the secretary of the Chicago complaint committee within three weeks from date of their execution. Consideration of a complaint may be refused, no matter when it may be presented, where the affidavits in connection therewith, etc., are of a very much later date than the date of the alleged offence, or where it is evident a reasonable endeavor had not been made to bring the matter promptly to a head.

Fifth. The party of the second part hereby agrees that he will render to the party of the first part true and accurate accounts of all outward (eastbound) and prepaid (westbound) passage tickets sold and passengers booked, and remit therewith the gross moneys received by his said agency therefor, less the commissions that may be granted by the party of the first part, and that such accounts shall be so rendered, and payments made in cash, promptly; the party of the second part further agreeing that he will remit to the party of the first part the gross moneys received by his said agency for the sale of passage tickets, less the authorized commissions, within seven days from the date of

the sale of such tickets, but for outward (eastbound) passage tickets not later than one day after the day of sailing of the steamer for which they have been sold.

Sixth. It is mutually agreed that the rates of passage and of commission shall be those fixed and notified from time to time by circular of the party of the first part.

Seventh. By the term "agent" shall be understood an individual or firm employed as such.

This agreement has been carefully read by both parties prior to execution, and in answer to a question of the party of the first part the party of the second part acknowledges that he understands the stipulations contained in the agreement and has no questions to ask in regard thereto.

In witness whereof the parties hereto have executed these presents in triplicate and have hereunder subscribed their respective names in the city of —, this — day of —, in the year nineteen hundred and —, in the presence of —.

EXHIBIT No. 136.

RULES AND REGULATIONS.

[Circular No. 3.—This cancels all former circulars.]

THE NORTH-ATLANTIC PASSENGER CONFERENCE.

[Composed of Allan Line: Montreal—Liverpool, Montreal—Glasgow, Montreal—Havre—London, Boston—Glasgow; American Line: New York—Southampton, Philadelphia—Liverpool; Anchor Line: New York—Glasgow; Atlantic Transport Line: New York—London; Canadian Pacific Railway Company's Atlantic steamship lines: Montreal—Quebec—Liverpool, Montreal—London—Antwerp; Cunard Line: New York—Liverpool, Boston—Liverpool; Dominion Line: Montreal—Liverpool; Donaldson Line: Montreal—Glasgow; Leyland Line: Boston—Liverpool; Scandinavian-American Line: New York—Copenhagen; White Star Line: New York—Liverpool, New York—Southampton, Boston—Liverpool.]

To all agents:

The rules and regulations as now in force, of each of the lines, covering all of their several services, and which relate to first-class, second-class, and third-class or steerage passengers, are reprinted below for the convenience and guidance of agents.

The agents must comply with the letter and spirit of these rules and regulations under the alternative of loss of agency or such other action as may be warranted in each case.

Agents are especially requested, in compliance with a rule below, to report any violation of the rules and regulations that may come to their knowledge, with proof, to the conference.

Each line will fix and will announce on its own circulars the rates of passage by its steamers and the commissions to be retained by its agents.

The rules and regulations are as follows:

(Note: The rules and regulations following are similar to the rules and regulations of the Mediterranean Conference on page 1200, with the exception of subdivision (h) of Rule 10, and Rules 11, 15, and 16, which read as follows:)

(h) No claim shall be made in an advertisement of a greater size for a steamer than the gross registered tonnage of such steamer as published in Lloyd's Register, the Bureau Veritas, or Germanischer Lloyd.

11. No advices of prepaid steerage tickets will be accepted by any line unless the passengers are booked through to final destination. Agents must remit immediately upon the sale of a prepaid steerage ticket for the ocean and inland transportation to either the general agency at the port of landing in America of the steamship company by which the prepaid passenger is to be forwarded, or to the official general passenger agency of such company in the interior in whose territory the agent is located. Colonist rail tickets may be issued in the Dominion of Canada in connection with ocean tickets.

15. For any violation of these rules, and unless otherwise therein provided for, agents shall for the first offense be fined not exceeding \$100; for the

second offense not less than \$100; and for the third offense they shall be disqualified. Nothing, however, herein shall prevent the conference from disqualifying an agent for any offense if circumstances warrant.

16. No agent shall be justified in committing any breach of these rules because some other agent may be doing so. It shall be the duty of every agent to adhere strictly to the rules, and to report any violation thereof that may come to his knowledge, with proof in the form of an affidavit, to the conference or the general agents of any conference line.

19 Broadway, New York, May 1, 1906.

EXHIBIT No. 137A.

MINUTES.

THE TRANS-ATLANTIC ASSOCIATED FREIGHT CONFERENCES.

[General meeting No. 1.]

Minutes of a meeting of representatives of lines and services members of the conferences, held at No. 19 Broadway, New York, on Tuesday, January 6, 1903, at 10 o'clock a. m.

Present: Hugh A. Allan, Allan Line, Allan-State Line; Samuel Bettie, American Line, Red Star Line; A. Glover, Anchor Line; W. F. J. Hudson, Anchor Line; P. A. S. Franklin, Atlantic Transport Line; Paul Gotthell, Bordeaux Line, Donaldson (Newport News), Holland-America (Newport News), Phoenix (Newport News), Scandinavian-American and Union lines; F. I. Ahern, Chesapeake Line, Virginia Line; J. A. McCarthy, Cosmopolitan Line; George Rossen, Cosmopolitan Line; Andrew Greene, Cunard Line (Boston); John Torrance, Dominion Line; John Torrance, jr., Dominion Line; C. P. Jameson, Dominion Line, Leyland Line; W. I. Gear, Donaldson Line (Montreal), Thomson Line; Robert Ramsay, Donaldson Line (Baltimore), Johnston Line, Puritan Line; Oscar R. Cauchois, French Line; Emil L. Boas, Hamburg-American Line; F. G. Messmer, Hamburg-American Line; J. R. Wierdsma, Holland-America Line; A. Gips, Holland-America Line; Lorenzo Daniels, Lamport & Holt Line; Robert E. Burnett, Leyland Line, Holland-Boston Line; A. C. Ferrerolf, Leyland Line; M. J. Sanders, Leyland Line; Paul Reitmann, Navigazione Generale Italiana; C. Klupfel, North German Lloyd; Louis A. Stopp, jr., Warren Line; John Lee, White Star Line; L. B. Sanderson, Wilson Line, Phoenix Line.

1. On motion it was unanimously—

Resolved, That Mr. Samuel Bettie act as chairman of the meeting.

2. It was stated that this was the first general meeting of the members of the Associated Freight Conferences; that, however, they had been operating under the provisions of the organization for quite the entire year 1902. It was unanimously—

Resolved, That the articles of association and the rules and regulations of the Trans-Atlantic Associated Freight Conferences be and are hereby formally ratified. They appear as a separate document. It was unanimously—

Agreed, That the matters now being considered by the members of the advisory committee, whose term of office expired January, 1903, shall be referred to a special advisory committee, consisting of Messrs. P. A. S. Franklin, F. G. Messmer, and L. B. Sanderson, who shall serve until the executive committee for 1903, provided for under general rule 13, have been nominated and begin work.

3. *Logs and lumber—Tallying—General regulations for handling the traffic.*—A report of the advisory committee, dated December 24, 1902, was taken up and discussed, wherein is outlined a form of proposed agreement with the National Lumber Exporters' Association, covering tallying and general regulations for handling the traffic. This was read and discussed at length, and on motion it was unanimously—

Agreed, that the report be referred back to the advisory committee, with power to negotiate and make effective the contemplated agreement set forth therein, or a similar agreement, with the National Lumber Exporters' Associa-

tion, the committee being requested to consider the contract of the St. Lawrence trade for deals and lumber, and to arrange for its effectiveness, if possible, for shipments of Canadian origin via United States ports. The Canadian lines shall have the right of withdrawal from the agreement with the lumber association, if they find it necessary, but, if possible, to operate under it for all shipments of United States origin via the St. Lawrence.

Attention was drawn to the case of *Bennett v. The Steamship Minnehaha*, a suit brought by the lumber association to test the Harter Act and its bearing on certain lumber clauses relating to tally. The decision was rendered for the ship in the lower court and is now on appeal. The lumber association will drop all legal proceedings on the completion of the contemplated agreement with the lines. The expenses for legal services, etc., involved in the Bennett case were referred to the advisory committee for settlement by voluntary contribution of the lines.

4. *Harter Act amendment legislation.*—The flour millers announce intention to reintroduce the same amendments to the Harter Act, which were defeated during the present (the Fifty-seventh) Congress at the next (the Fifty-eighth) Congress. This question was again referred to the advisory committee, with the request that they watch it, and with power to take such action as may be necessary to ward off legislation prejudicial to the export interests of the United States and Canada. The matter of the basis of division of the expenses incurred during 1902 in opposition to the legislation in the Fifty-seventh Congress was likewise referred to the advisory committee for adjustment and settlement by voluntary contributions of the lines.

5. *Bills of lading forms, local and through.*—The executive committee were requested to report on the permanent uniform conditions of both local and through bills of lading and their observance, the committee to report on all things arising from time to time with reference to the subject. In view of certain proposals for changes in and additions to bills of lading forms and clauses, it was unanimously—

Agreed, That no change is now necessary either in the form or in the permanent uniform conditions of the local or through bill of lading.

Rate of exchange when freight is prepaid.—It was agreed that where a rate in sterling is agreed upon its equivalent when prepaid must be calculated at \$4.86 to the pound sterling.

6. *Uniformity in through freight contracts.*—The executive committee were requested to report with recommendations as to the adoption of a permanent uniform through-freight contract, a subject which has been under consideration for some years and which has resulted in uniformity in the through-freight contracts of several of the lines.

7. *Tracing the movement of export traffic for shippers and insurance companies.*—An application from a number of marine insurance companies that they be supplied with copies of the cargo manifests of all steamers for the purpose of tracing shipments which they have insured was presented, and it was moved and seconded that the application be declined. The motion being put, one negative vote was registered, and the question referred to the executive committee for consideration and report.

8. *Definition of the terms "immediate" and "prompt."*—A recommendation of the advisory committee was presented, that—

The terms "immediate" and "prompt" shipment from the west mean that the shipment is to move within seven and 14 days from date of engagement, respectively. This rule to apply invariably.

Agreed, That this definition be adopted, to take effect for all engagements made on and after February 1, 1903.

9. *Claims in connection with traffic moved on railroad through bills of lading.*—The subject was referred to the executive committee for report on the situation.

10. *Illegible marking of cotton.*—Numerous complaints of the illegibility or absence of marks, etc., on cotton bales have been made. Subject referred to the executive committee for consideration and report.

11. It was unanimously—

Agreed, That a special vote of thanks be tendered to the outgoing advisory committee, Messrs. P. A. S. Franklin, F. G. Messmer, and L. B. Sanderson, for their careful attention to and handling of the many and important matters of general interest during the term of their service, especially in connection with

the opposition to the Harter Act amendment legislation, and to the secretary for his great labors and the pains he has taken with the work.

Confirmed.

Adjourned.

SAMUEL BETTLE, *Chairman.*

LAWSON SANDFORD, *Secretary.*

NOTE.—In accordance with the terms of general rule 8, the proceedings of this meeting were submitted to the lines and services not represented, and they have announced their concurrence in the action taken.

Copies of the proceedings "awaiting confirmation" were issued to all parties on January 7, 1903, and the "confirmed" copies were issued as of date of January 27, 1903.

RULES AND REGULATIONS.

Agreement providing for the establishment of

THE TRANS-ATLANTIC FREIGHT CONFERENCES.

[Composed of steamship lines and services regularly in the trade between American and foreign ports.]

Whereas it is considered desirable that the regular steamship lines and their services engaged in the American carrying trade form a conference, having for its object the consideration and adjustment of all noncompetitive matters appertaining to their general interest, which shall simplify the conduct of the business, and the relations with shippers and their representatives, with connecting carriers, and with all others

Resolved, That there be established, with headquarters at the port of New York, a conference to be known as The Trans-Atlantic Associated Freight Conferences, and that port conferences be established at each port, if desired by the lines at that port, auxiliary to but distinct in their operations from the associated conferences.

1. The lines and services party hereto and forming such association shall comprise the following, viz:

Line.	Service.	Representative.
Allan.....	Montreal-Liverpool.....	H. & A. Allan.
Do.....	Montreal-Glasgow.....	Do.
Do.....	Boston-Glasgow.....	Bryce J. Allan.
Do.....	Philadelphia-Glasgow.....	P. D. Todd.
Allan-State.....	New York-Glasgow.....	Radcliffe Baldwin.
American.....	New York-Southampton.....	John Lee and P. A. S. Franklin.
Do.....	Philadelphia-Liverpool.....	Do.
Anchor.....	New York-Glasgow.....	William Coverly.
Do.....	New York-Mediterranean.....	Do.
Atlantic Transport.....	New York-London.....	John Lee and P. A. S. Franklin.
Do.....	Philadelphia-London.....	P. F. Young.
Do.....	Baltimore-London.....	J. C. Gorman.
Bordeaux.....	New York-Bordeaux.....	Paul Gotthell.
Can. Pac. Ry. Atl. S. S. Ser.....	Montreal-Liverpool.....	D. W. Campbell.
Do.....	Montreal-London.....	Do.
Do.....	Montreal-Antwerp.....	Do.
Chesapeake & Ohio S. S. Co.....	Newport News, Norfolk-Liv- erpool.....	George L. Woolley.
Do.....	Newport News, Norfolk-Lon- don.....	Do.
Cosmopolitan.....	Philadelphia-Rotterdam, Amsterdam.....	Peter Wright & Sons.
Do.....	Philadelphia-Leith.....	Do.
Cunard.....	Boston-Liverpool.....	Chas. P. Sumner.
Dominion.....	Montreal-Liverpool.....	James Thom.
Do.....	Portland-Liverpool.....	John Torrance, jr.
Donaldson.....	Montreal-Glasgow.....	W. I. Gear.
Do.....	Baltimore-Glasgow.....	Robert Ramsay.
Do.....	Newport News-Glasgow.....	Paul Gotthell.
French.....	New York-Havre.....	Oscar R. Canohols.
Hamburg-American.....	New York-Hamburg.....	F. G. Messmer.
Do.....	New York-Mediterranean.....	Do.
Do.....	Baltimore-Hamburg.....	J. C. Gorman.
Do.....	Boston-Hamburg.....	C. C. Patterson.
Do.....	Montreal-Hamburg.....	James Thom.
Do.....	Philadelphia-Hamburg.....	P. F. Young.

Line.	Service.	Representative.
Holland-America.....	New York-Rotterdam, Amsterdam.	J. R. Wierdama and P. Gotthell.
Do.....	Newport News-Rotterdam, Amsterdam.	Paul Gotthell.
Holland-Boston.....	Boston-Rotterdam.....	Robert E. Burnett.
Johnston.....	Baltimore-Liverpool.....	Robert Ramsay.
Lamport & Holt.....	New York-Manchester.....	Busk & Jevons.
Levant.....	New York-Mediterranean.....	F. G. Messmer and P. Gotthell.
Leyland.....	Boston-Liverpool.....	George Bray.
Do.....	Boston-London.....	Do.
Medit. & N. Y. S. S. Co.....	New York-Mediterranean.....	Howard Phelps.
National.....	New York-London.....	John Lee and P. A. S. Franklin.
Neptune.....	Baltimore-Rotterdam.....	Dresel, Rauschenberg & Co.
North German Lloyd.....	New York-Bremen.....	C. Klüpfel and H. C. Japp.
Do.....	New York-Mediterranean.....	Do.
Do.....	Baltimore-Bremen.....	Do.
Phoenix.....	New York-Antwerp.....	L. B. Sanderson.
Do.....	Newport News-Antwerp.....	Paul Gotthell.
Prince.....	New York-Mediterranean.....	John C. Seager.
Do.....	New York-Newcastle.....	Do.
Puritan.....	Baltimore-Antwerp.....	Robert Ramsey.
Red Star.....	New York-Antwerp.....	John Lee and P. A. S. Franklin
Do.....	Philadelphia-Antwerp.....	Do.
Scandia.....	New York-Copenhagen.....	F. G. Messmer.
Scandinavian-American.....	Boston-Copenhagen.....	C. S. Gill and Paul Gotthell.
Do.....	New York-Copenhagen.....	Paul Gotthell.
Thomson.....	Montreal-London.....	W. I. Gear.
Union.....	New York-Hamburg.....	Paul Gotthell.
Do.....	Newport News-Hamburg.....	Do.
Warren.....	Boston-Liverpool.....	L. A. Stopp.
White Star.....	New York-Liverpool.....	John Lee and P. A. S. Franklin.
Do.....	Boston-Liverpool.....	Alfred Britten.
Do.....	Boston-Mediterranean.....	Do.
Wilson.....	New York-Hull.....	L. B. Sanderson.
Do.....	New York-Newcastle.....	Do.
Do.....	Boston-Hull.....	A. Boole and L. B. Sanderson.
Wilsons & Furness-Leyland.....	Boston-London.....	George Bray.

2. Applications for new membership shall be made to the secretary, in writing, and no line or service shall be admitted except on receiving a two-thirds vote of the members.

3. Regular meetings of the associated conferences shall be held at the conference rooms in New York on the second Thursday of each February, June, and October.

4. Special meetings may be called at any time on three days' written request of at least six lines, through the secretary, stating the purposes of the meeting.

5. A docket of the subjects to be brought up at each meeting shall be supplied at least three days in advance thereof to the representative of each line and service, and no subject not so docketed can be considered except by the unanimous vote of all present.

6. The presence of the representatives of 12 lines shall constitute a quorum. The chair shall be taken by the representatives in rotation in the alphabetical order of the names of their respective lines and services.

7. All questions that may come before a meeting or that may be brought up between meetings must be agreed to unanimously by all lines and services to be of any effect.

8. Any line or service not represented at a meeting shall be notified by the secretary in writing of the resolutions passed at that meeting, and such line or service shall state in writing within three days of receipt of secretary's notice, whether they concur in the resolutions or not; if the latter, they shall state their reasons therefor.

9. Within six days after a meeting at which resolutions have been passed, the secretary shall send written notice to each line and service stating whether such resolutions have been unanimously adopted or not; and such action as shall have been unanimously adopted shall become in force and effect and binding on all lines and services on the second business day following date of such notice.

10. The representatives of the lines and services members of the associated conferences agree in good faith, one with the other, to abide by and fulfill every obligation unanimously adopted and embodied in its rules and regulations.

11. Each representative undertakes on honor to consider and maintain all questions and actions that may be considered or adopted in meetings or by

correspondence in connection herewith as sacred and confidential in the highest degree.

12. To simplify the work of the associated conferences, the establishment of auxiliary port conferences is essential for the proper disposal of all matters and if necessary for the consideration between regular meetings of the associated conferences of matters of joint interest that should be disposed of in the meantime. At Montreal shall be established the Montreal shipping conference of the "Canadian port" lines and services and at Boston the Boston trans-Atlantic freight conference of the Boston lines and services. The organization of these auxiliaries, the procedure, and all details shall be developed and established as each conference finds desirable and necessary, it being understood that matters purely local are to be dealt with by the conferences or lines at that port and not by the general conference.

13. It is the purpose to simplify the work and operations of the associated conferences to the greatest possible extent, and to this end all matters to be submitted for its action shall be first referred through the secretary to an executive committee consisting of one representative of the "Canadian port" lines and services, one of the Boston lines and services, two of the New York lines and services, and one each of the Philadelphia and Baltimore and Newport News-Norfolk lines and services. Each port shall elect its representatives and certify them to the associated conferences at the first regular meeting in each year, and they shall serve for 12 months. The committee may add to their number at any time at their discretion when special subjects are to be considered. The committee shall report on each matter referred to them promptly, with or without recommendation. The members of the associated conferences shall individually and in writing within six days reply to each report of the committee, the intention being, if possible, that many questions be settled between meetings—provided unanimous action on them can be developed, and when such be the case the action shall become operative, as provided under rule 9.

14. As it is desirable that the present freight and passenger conference establishment at New York be used, the question of the proportion of the expense of the establishment to be met by the associated conferences shall be left to the executive committee, one member of which shall serve as a member of the so-called managing committee of the trans-Atlantic steamship conferences, and Mr. ——— is appointed secretary of the associated freight conferences.

15. Any line or service may withdraw from the associated conferences on giving notice of intention so to do in writing to the secretary at least two weeks prior to the next regular meeting. Such withdrawal shall only become operative at the expiration of 14 days after that meeting unless in the meantime canceled.

MINUTES.

THE TRANS-ATLANTIC ASSOCIATED FREIGHT CONFERENCES.

[Draft, awaiting confirmation.—Confirmed by the chairman as a correct record of the proceedings. General Meeting No. 2.]

Minutes of a meeting of representatives of lines and services members of the conferences, held at No. 19 Broadway, New York, on Thursday, June 16, 1904, at 10.30 o'clock a. m.

Present: Radcliffe Baldwin, Allan-State Line; John H. Thomas and F. Toppin, American Line, Atlantic Transport Line, Red Star Line, White Star Line; Paul Cottlell, Bordeaux Line, Donaldson (Newport News), Holland-America (Newport News), Phoenix (Newport News), Scandinavian-American, and Union lines; George L. Woolley, Chesapeake Line, Virginia Line; J. A. McCarthy, Cosmopolitan Line; George Rossen, Cosmopolitan Line; John Torrance, Jr., Dominion Line, Portland; Oscar R. Cauchois, French Line; F. G. Messmer, Hamburg-American Line; J. R. Wierdsma, Holland-America Line.

12. On motion, Mr. Paul Gotthell was requested to act as chairman of the meeting.

13. The minutes of the last general meeting (No. 1), held on Tuesday, January 6, 1903, were confirmed.

14. *Logs and lumber—Agreement with the National Lumber Exporters' Association.*—In accordance with resolution adopted under minute 3, it was reported

that the special advisory committee had completed an agreement with the N. L. E. A. as of date of April 1, 1903. This appears as a separate document.

Letter from the lumber association embodied in report to the lines dated November 24, 1903, was presented, proposing an amendment to the first paragraph of clause 2 of the agreement, and it was, on motion, unanimously—

Agreed, that clause 2 be amended as follows (*italics new*) :

"2. COUNTING.—The steamer to count (and enter on receipt and ocean bill of lading) the number of pieces and [or] bundles—carload lots. *If there is a difference in tally at seaboard between shippers' certificate of loading and steamship company's count, bill of lading to be issued for number of pieces and [or] bundles as per shippers' certificate, and the following clause to be inserted on the ocean bill of lading: 'Of which number — pieces are in dispute; if on board to be delivered.' For example: Six hundred and twenty-five pieces lumber, of which number five pieces are in dispute; if on board to be delivered.'*"

15. *Bills of lading forms—Local and through.*

(d) In accordance with minute 5 the executive committee made report on July 2, 1903, on the observance of the permanent uniform conditions of the through export bill of lading. The recommendations in this report were subsequently adopted by all lines, and in accordance therewith, the committee having done everything in its power to get connecting carriers to adopt and use the approved uniform through export bill of lading—1901 revision—and in many cases having failed, a joint circular was issued under date of April, 1904, notifying that after June 1, 1904, the lines would decline to accept all traffic presented for shipment on other than the approved form of through bill of lading unless a local bill of lading of the line to which it was offered was taken out in its stead.

(b) *Clause 10—Uniform local bill of lading (same as clause 12, through export bill of lading).*—Reference was made to the executive committee's report dated June 6, 1904, on this subject, and it was, on motion, unanimously—

Agreed, That clause 10 of the uniform local bill of lading and clause 12 of the through export bill of lading be amended to read as follows:

"10. Also, that merchandise on wharf awaiting shipment or delivery be at merchandise owner's risk of loss or damage in every case and particular in which it shall not be proved that such loss or damage shall have resulted from the fault or negligence of the carrier or its servants."

(c) *Proposed alterations in the general conditions in the through export bill of lading.*—It was reported that the following change in the through bill of lading had been recommended by the rail lines—where the present authorized form reads: "— cents, United States gold currency, per one hundred pounds gross weight, and advanced charges — etc." it be changed to read (*italics new*): "— cents, United States gold currency, per one hundred pounds gross weight, *subject to inland carload minimum weight — pounds (actual weight to be charged for when in excess of the minimum)*, and advanced charges — etc."

The subject was discussed and referred to the executive committee for consideration and report.

(d) *General-average clause.*—Printed report of Mr. Norman Hill, secretary of the Liverpool Steamship Owners' Association, was presented, which embodies a new general-average clause drafted by Messrs. Convers & Kirlin and approved by Messrs. Johnson & Higgins. Mr. Hill writes that his committee consider the suggested alterations in the clause are improvements and would be glad to see the new clause adopted.

It was, on motion, unanimously—

Agreed, That the subject be referred to the executive committee for consideration and report.

(e) *Rate of exchange when freight is prepaid.*—It was reported that subsequent to the adoption of the resolution under minute 5 it had been agreed by the lines in the U. K. trade that the following words be added as an amendment: "and that the lines will not quote agreed rates otherwise than in sterling."

Subsequent to the adoption of the amendment, however, the British lines found it difficult in a great many cases to arrange bookings of new business under the terms of the resolution, and on March 10, 1903, report was issued rescinding the resolution. The subject was laid on the table.

(f) *Through export bill of lading clause 5—Inland conditions.*—It was reported that the rail lines had authorized the insertion of the words "(port A)" after the word "destination," on the first line of inland condition 5, in order to make the purpose of the clause clear.

16. *Uniformity in through freight contracts.*—The executive committee reported that they did not consider the time opportune to take up this subject. The matter was therefore laid on the table. (Minute 6.)

17. *Tracing the movement of export traffic for shippers and insurance companies.*—The executive committee recommended that the request of the marine insurance companies that they be supplied with copies of cargo manifests of all steamers for the purpose of tracing shipments which they have insured should be declined, which was agreed to. (Minute 7.)

18. *Definition of the terms "immediate" and "prompt."*—The resolution adopted under minute 8 defining these terms was subsequently amended by informal vote providing for an addition as follows: "and when no time limit is specified prompt shipment is understood."

19. *Claims in connection with traffic moved on railroad through bill of lading.*—The executive committee reported that, in their opinion, this subject can not be dealt with except by the lines individually. The subject was laid on the table. (Minute 9.)

20. *Illegible marking of cotton.*—The executive committee reported that they had considered the matter but were unable to come to any decision as to the proper course of procedure in order to obtain relief, owing to the absence or illegibility of marks on cotton bales.

The subject was further discussed and it was the opinion of the meeting that no relief appears obtainable at present. (Minute 10.)

21. *Uniform parcel receipt.*—The executive committee reported that it had been suggested the parcel receipt be made a permanent uniform document. The committee accordingly prepared the undernoted form for the action of the lines, viz:

UNIFORM PARCEL RECEIPT.

No.----- The ----- Line. -----, 19--

Received, in apparent good order and condition, from ----- package marked or addressed as under for shipment by Steamship -----, bound for ----- Value -----, subject to all conditions, exceptions, and liberties contained in the company's bill of lading now in use.

Also, that the company will not be liable for any parcel or package exceeding \$10 in value, unless such value is declared by the shipper upon delivery to the company and freight paid thereon as may be required. The package not to contain letters or unstamped newspapers. On examination by the customs officers, if above articles are discovered, the agents of the steamers at port of discharge, to take possession of the same and deal with them as they deem proper.

Mark or address.	Numbers.	Packages.	Description of goods.
.....

Freight, \$-----; charges, \$-----; total, \$-----.

The ----- Co.
Per -----

This receipt must be sent to consignee.

It was moved and seconded that the draft for a uniform parcel receipt as prepared by the committee with the parts underlined eliminated be adopted.

Objection was made on the part of several lines to the adoption of a uniform receipt, and the subject was laid on the table.

22. *Through export bill of lading proposed to be issued by the United States Express Company.*—The United States Express Company has made request that the lines accept their through bill of lading and grant them the same privileges, etc., as are now granted the railroads. The executive committee recommended that this privilege be not granted the United States or any other express company, as it would enable them to divert customers from direct intercourse with the lines in booking up small lots in the interior, which have heretofore come direct to the lines and on which minimum rates are often charged.

It was, on motion, unanimously—

Agreed, That the recommendation of the executive committee be adopted.

23. *Executive committee, 1903.*—It was reported that, in accordance with rule 13 of the associated freight conferences, the following members had been

elected to serve on the executive committee for the year 1903: Montreal, Mr. W. I. Gear (or alternate); Boston, Mr. George Bray; New York, Mr. Paul Gotthell and Mr. Samuel Bettie (chairman); Philadelphia, Mr. P. F. Young; Baltimore, Mr. Robert Ramsay; Newport News, Norfolk, Mr. George L. Woolley.

Executive committee, 1904.—Mr. John H. Thomas and Mr. J. R. Wierdsma were duly elected as the New York members to serve on the executive committee for the year 1904, the other ports being requested to elect their members at the earliest possible date.

Adjourned.

Confirmed.

PAUL GOTTHELL, *Chairman.*

EXHIBIT No. 187 B.

MINUTES.

[Lines at all ports please say if they have any comments to make; in absence of objection before July 1, 1910, it will be understood that the record and action is confirmed.]

THE TRANSATLANTIC ASSOCIATED FREIGHT CONFERENCES.

Minutes of a meeting of the port executive committee members held at No. 17 State street, New York, on Thursday, June 9, 1910, at 10.30 o'clock a. m.

Present: William I. Gear, Montreal, Portland; Charles Stewart, Boston; J. E. Waldorf, New York; A. C. Fetterolf, New York; H. T. Barton, Philadelphia; Robert Ramsay, Baltimore; H. C. Blackiston, Newport News, port executive committee members. Also John Corbett, Montreal; W. J. Love, New York; Oscar R. Cauchois, New York; W. J. G. Hudson, New York, special committee members.

1. It was stated that this is the first meeting of the port executive committee ever convened; that it is primarily due to request of railroads that representatives of steamship lines at all north Atlantic ports meet them to-day on a special subject treated in these minutes, and that it is hoped the general work will by this opportunity be given a fresh impetus.

2. *Storage and car demurrage at seaboard on export freight.*—Referring to Trunk Line Association proposal submitted in secretary's memo. to all lines March 28, 1910, this subject was discussed preliminary to meeting the railroads this day, and a general line of policy which shall have due regard for the conditions local to each port was arranged.

NOTE. Proceedings of this joint meeting of R. R.-S. S. committees on June 9, 1910, appear as a separate document, delivery to all lines June 17. They show that no conclusion was reached, but that negotiations are likely to continue.

3. *Freight traffic—relations between railroads and steamships, all north Atlantic ports.*—Cognizance taken of resolution adopted by New York freight conference June 8, 1910, appointing a special committee, authorized and empowered to confer with a committee of Caribbean conference and with any other groups of steamship lines desiring to cooperate, to develop propositions for regulation of matters of common interest to all railroads and steamships, all North Atlantic ports.

It is understood that the port executive committee members will cooperate in such work in behalf of their ports, respectively.

4. *Rate of exchange, westbound traffic, U. K. ports—U. S. interior points.*—Freight rates in U. K. being quoted in sterling, it has been proposed for the convenience of receivers at U. S. interior points, who wish westbound ocean quotations, and who receive in currency inland rates from railroads, that a standard rate of exchange for ocean rates be established.

Matter concerns U. K. lines and services only.

It was the sense of the committee that it is advisable for above reason to establish a standard rate for converting ocean freight rates on westbound traffic from U. K. ports to interior U. S. points; but that this should be arranged in England.

Cable to be sent by conference office as soon as this is confirmed by all interested lines.

5. *Cotton—Wrong and illegible marks.*—In May, 1910, steamship interests at Savannah, through their Maritime Association, adopted the following resolution:

"In consequence of the confusion that has resulted and the serious losses incurred on account of delivering cotton to steamers at loading port with wrong and illegible marks, which has resulted in receivers enforcing heavy claims against steamers for wrong delivery at port of discharge, we find it necessary to advise all shippers that on and after September 1 next ship agents will reject any cotton not durably and legibly marked. Marks other than those under which the cotton is shipped must be thoroughly obliterated.

"Transportation companies are therefore notified to pass this information to their interior agents, so that in receipting for cotton to the previous carrier, press, or shipper they may take similar action and prevent delay and trouble at the port."

Since then steamship lines at Charleston, Brunswick, Fernandina, and Jacksonville have ratified this resolution. It is now before all lines members of Associated Freight Conferences.

The sense of this resolution is approved, but with the reservation that it might well be modified, as in its present form it might be difficult to actually refuse a shipment or a part thereof on account of absence of, wrong, or illegible marks; and it was

Resolved, That all lines at North Atlantic ports are prepared to join in a general circular of the lines at North Atlantic ports; to be appropriately worded, and providing that if cotton coming under this description is presented, ship has the right to refuse it.

Such general circular to be sent to all connecting carriers.

6. *Transportation and delivery of intoxicating liquors*—Sections 238, 239, and 240, *Penal Laws of the United States*.—April 22, 1910, all lines all ports notified (with copies of these sections) of letter received from Trunk Line Association stating that they should receive prompt consideration by steamships and requesting that steamships be governed by them on traffic delivered by steamships to railroads.

The sections are lengthy and, together with a brief thereof, are repeated as a part of these proceedings. Copy also attached of U. S. Treasury Decision 30661, June 6, 1910.

It was developed as the sense of the meeting that the matter is one for individual action; also that many lines have already communicated with their offices abroad; that receivers have been posting their shippers; and that in respect to import traffic it is probable that the conduct of business can be readily conformed to these requirements of law.

7. *Glardon Safety Clip*.—Application from American agency that lines take cognizance of this device. It was considered that joint action here was unnecessary.

8. *Bills of lading—Revision of permanent uniform conditions*.—Subject in hands of a committee of New York lines, their current report being dated May 14, 1909.

New York committee is prepared to continue its work, with cooperation of port executive committee members.

Liverpool Steamship Owners' Association has also taken up the subject, and, according to custom, it will be dealt with jointly.

9. *Export flour shipments*.—New York standing committee (Messrs. Gips, Love, Pentz, and Arkell) made a report upon the three following subjects: (a) Necessity of overcoming delay in delivery to steamship lines to insure prompt fulfillment of deliveries to consignees abroad. (b) Torn and soiled sacks. (c) Character of sacks—flimsy cotton being insufficient. Unfortunately, the Millers' National Federation has not taken any definite or binding action beyond spreading communications from conference in May, 1909, upon the records of their mass meeting held in the same month.

Port executive committee members will participate in this matter as necessary.

10. *Condition of export cargo upon delivery to steamships*.—Read communication from the freight claim conference of the New York railroads, stating that they have developed that "outside collecting agencies" or claim adjusters solicit steamship lines for information of condition and character of freight delivered by inland carriers—no doubt secured for claim purposes. Request made that such information be declined by steamship lines.

New York lines are prepared to adopt a rule to refrain from so doing if all lines at North Atlantic ports take same action.

This the port executive committee members approve.

Adjourned.

MEMORANDA.

NEW YORK, April 22, 1910.

[Reprinted June 8, 1910.]

To the freight managers, United States Port Trans-Atlantic Steamship Lines,

DEAR SIRS: "Transportation and delivery of intoxicating liquors," penal laws of the United States, effective January 1, 1910. Sections 238, 239, and 240 apparently applying also to trans-Atlantic carriers." Mr. McCain, Trunk Line Association, calls attention to these sections, which are quoted in full below.

Action by the lines individually seems necessary.

An endeavor has been made to brief these sections, viz:

SEC. 238. Any agent or employee of any common carrier who shall knowingly deliver to any person other than the consignee, unless on written order, any intoxicating liquors shipped interstate or from any foreign country into any State or Territory, subject to United States jurisdiction, shall be fined not more than \$5,000 or imprisoned not more than two years or both.

SEC. 239. Any such carrier transporting intoxicating liquors who shall collect the whole or part of the purchase price from consignee or any other person under any circumstances, or act as agent of buyer or seller of any such liquors, for the purpose of buying or selling or completing the sale thereof, saving only in the actual transportation and delivery of same, shall be fined not more than \$5,000.

SEC. 240. Whosoever shall knowingly ship into such United States territory any package of or containing any intoxicating liquors, unless package is labeled on outside cover to plainly show name of consignee, nature of contents and quantity, shall be fined not more than \$5,000, and such liquor shall be forfeited.

Mr. McCain's letter contains the following observations: "This is a matter which should receive prompt consideration by steamship lines, and they are requested to arrange to be governed accordingly on traffic delivered by them to their rail connections," with advice of action taken "as early as possible."

Yours, truly,

LAWSON SANDFORD.

FULL TEXT OF SECTIONS.

SECTION 238. Any officer, agent, or employee of any railroad company, express company, or other common carrier who shall knowingly deliver or cause to be delivered to any person other than the person to whom it has been consigned, unless upon the written order in each instance of the bona fide consignee, or to any fictitious person, or to any person under a fictitious name any spirituous, vinous, malted, fermented, or other intoxicating liquor of any kind which has been shipped from one State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, into another State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, or from any foreign country into any State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, shall be fined not more than five thousand dollars, or imprisoned not more than two years, or both.

SEC. 239. Any railroad company, express company, or other common carrier, or any other person who, in connection with the transportation of any spirituous, vinous, malted, fermented, or other intoxicating liquor of any kind from one State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, into any other State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, or from any foreign country into any State, Territory or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, shall collect the purchase price, or any part thereof, before, on, or after delivery from the consignee, or from any other person, or shall in any manner act as the agent of the buyer or seller of any such liquor for the

purpose of buying or selling or completing the sale thereof, saving only in the actual transportation and delivery of the same, shall be fined not more than five thousand dollars.

SEC. 240. Whoever shall knowingly ship or cause to be shipped from one State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, into any State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, or from any foreign country into any State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, any package of or packing containing any spirituous, vinous, malted, fermented, or other intoxicating liquor of any kind, unless such package be so labeled on the outside cover as to plainly show the name of the consignee, the nature of its contents, and the quantity contained therein, shall be fined not more than five thousand dollars; and such liquor shall be forfeited to the United States, and may be seized and condemned by like proceedings as those provided by law for the seizure and forfeiture of property imported into the United States contrary to law.

TRANS-ATL. ASSOC. FRT. CONFERENCES,
June 16, 1910.

[Transportation and delivery of intoxicating liquors. Penal laws of the United States. Effective January 1, 1910. Sections 238, 239, and 240 apparently applying also to trans-Atlantic carriers. U. S. Treasury Department decision (30681) June 6, 1910.]

Labeling of packages of liquors under section 240 of the Criminal Code (T. D. 30393).

TREASURY DEPARTMENT, June 6, 1910.

SIR: The department duly received your letter of March 12, last, relative to the enforcement of the provisions of section 240 of the Criminal Code (T. D. 30393) for the labeling of packages of liquors.

Referring to the three particulars required by said section to be shown on the outside cover I have to state that the department has decided:

1. That the name of the consignee may be either that of the nominal consignee or the ultimate consignee.
2. That the nature of the contents may be described in general terms as "brandy," "whisky," "wine," etc., the name of the brand not being required.
3. That the quantity of contents may be expressed either by the number of bottles, as "12 bottles," or "24 half bottles," or "1 dozen quarts," or "2 dozen pints," etc., or by the number of gallons, quarts, etc.

The examination of the labeling of packages of liquor, under said section, entered for immediate transportation to interior ports, need not be particularly minute as to detail, but should be sufficiently careful to determine whether or not the merchandise in question is labeled in substantial compliance with the requirements of the statute.

Respectfully,
(68774)

CHARLES D. HILLES,
Assistant Secretary.

COLLECTOR OF CUSTOMS, New York.

[The Trans-Atlantic Associated Freight Conferences.]

NO. 19 BROADWAY,
New York, June 8, 1910.

[No. 22, 1910. Freight memo.—General.]

To the lines:

DEAR SIRS: "National Lumber Exporters' Association—Arrangement with—Changes in membership."

The existing arrangement was printed January 14, 1909, and on the reverse was shown as of that date the names of the lumbermen parties thereto by their membership in the association.

Mr. Dickson advises that as there have been a number of changes in the list since that time a new one has been compiled. Copy below.

Yours, truly,

LAWSON SANDFORD.

Membership List of National Lumber Exporters' Association—Corrected to May 11, 1910.

S. K. Taylor, Mobile, Ala.; Maley & Wertz, Evansville, Ind.; R. E. Wood Lumber Co., Continental Building, Baltimore, Md.; W. O. Price, Continental Building, Baltimore, Md.; J. W. Thompson Lumber Co., Memphis, Tenn.; E. Stringer Boggess, Clarksburg, W. Va.; Darnell-Taenzer Lumber Co., Memphis, Tenn.; Russe & Burgess (Inc.), Memphis, Tenn.; The Bliss-Cook Oak Co., Blissville, Ala.; Knoxville Sawmill Co. (Ltd.), Knoxville, Tenn.; John L. Alcock & Co., Baltimore, Md.; Wright-Bachman Lumber Co., Portland, Ark.; Price & Heald, Baltimore, Md.; Jas. Kennedy & Co. (Ltd.), Cincinnati, Ohio; South Atlantic Lumber Co., Greensboro, N. C.; Holger A. Koppel, Baltimore, Md.; Price & Hart, No. 18 Broadway, New York; Hoshall & MacDonald Bros., Hibernia Building, New Orleans, La.; Richard P. Baer & Co., Baltimore, Md.; Mann & Parker, Baltimore, Md.; The Dickson Lumber Co., Norfolk, Va.; The K. & P. Lumber Co., Cincinnati, Ohio; Parodi, Ermino & Co., 504 West Broadway, New York, N. Y.; R. J. Darnell (Inc.), Memphis, Tenn.; The Billmeyer Lumber Co., Cumberland, Md.; The Fullerton-Powell Hardwood Lumber Co., South Bend, Ind.; Hoffman Bros. Co., Fort Wayne, Ind.; John L. Roper Lumber Co., Norfolk, Va.; Illingsworth, Ingham & Co., Cincinnati, Ohio; Geo. M. Speigle & Co., Philadelphia, Pa.; Bellgrade Lumber Co., Memphis, Tenn.; W. M. Ritter Lumber Co., Columbus, Ohio; Fred Brenner Lumber Co., Cincinnati, Ohio; Bennett Hardwood Lumber Co., Memphis, Tenn.; The M. B. Farrin Lumber Co., Cincinnati, Ohio; The J. M. Card Lumber Co., Chattanooga, Tenn.; Hugh McLean Lumber Co., Buffalo, N. Y.; Goodlander-Robertson Lumber Co., Memphis, Tenn.; Mississippi Hardwood Co., Fort Worth, Tex.; S. J. Sutherland Co., New Orleans, La.; A. Le More & Co., New Orleans, La.; A. Couspeire, New Orleans, La.; Schut & Klehn, New Orleans, La.; Lucas E. Moore Stave Co., New Orleans, La.; The Rees-Scott Co., Ltd., New Orleans, La.; Herbert Gartner, New Orleans, La.; Hugo Forchhelmer, New Orleans, La.; Francke Lumber Co., Cincinnati, Ohio; Stewart-Greer Lumber Co., St. Louis, Mo.; Janovich-Califore Co., New Orleans, La.; Jas. E. Stark & Co., Memphis, Tenn.; Fee-Grayton Hardwood Lumber Co., Little Rock, Ark.; Phil. I. Adam, New Orleans, La.; The Foxley Stave & Lumber Co., Ltd., New Orleans, La.; Charles Este Co., Twentieth Street and Glenwood Avenue, Philadelphia, Pa.; Camp Mfg. Co., Franklin, Va.; W. J. Callon, New Orleans, La.; The Farrin-Korn Lumber Co., Cincinnati, Ohio; Greenriver Lumber Co., Memphis, Tenn.; W. Dixon Smith, Parkersburg, W. Va.; The Kern Co. (Ltd.), New Orleans, La.; Friedlander & Oliven Co., New Orleans, La.; R. A. & J. J. Williams Co., Philadelphia, Pa.; T. B. Allen & Co., Galveston, Tex.; Anderson-Tully Co., Memphis, Tenn.; American Hardwood Lumber Co., New Orleans, La.; Kentucky Lumber Co., Cincinnati, Ohio.

[The Trans-Atlantic Associated Freight Conferences.]

No. 19 BROADWAY,
New York, June 22, 1910.

To the lines.

DEAR SIR: "Condition of export cargo upon delivery to steamships."

The executive port committee members in their meeting of the 9th of June, under minute 10, adopted the following:

"Read communication from the freight claim conference of New York railroads, stating that they have developed that 'outside collecting agencies,' or claim adjusters, solicit steamship lines for information of condition and character of freight delivered by inland carriers—no doubt secured for claim purposes. Request made that such information be declined by steamship lines.

"New York lines are prepared to adopt a rule to refrain from so doing if all lines at North Atlantic ports take same action.

"This the port executive committee members approve."

As a matter of interest in this connection, the following copy of communication from Mr. E. Nichols to one of the steamship lines, as recent as 20th of June, 1910 (omitting names), is submitted, viz:

"As you are doubtless aware, I represent many of the large mills in the west in reference to the collection of their claims for lost and damaged flour in transit. I have had many cases wherein flour intended for export via the port of New York have been taken aboard your vessels and in each instance I have observed that in taking the flour from the inland carriers that you simply sign

for the number of sacks torn and mended and show no specific light weight from these sacks, and when the claims are presented to the inland carrier they demand that they be reduced to the basis of five pounds per sack, which greatly reduces the claim. Now I have before me one instance, S/S—— Nov., 1909, 1,000 sacks flour consigned order, and when this consignment was delivered to the steamer you simply signed for 14 sacks torn and showed no light weight on the receipt, and therefore we are compelled to reduce this claim to 70 pounds flour, where as a matter of fact, when this flour was discharged from your steamer there was a shortage of 601 pounds, and therefore, if the shortage on receipt by you was simply 70 pounds, I think you will agree with me that the balance of the shortage would be a good claim against —— line. You will therefore appreciate the necessity of showing the exact shortage from sacks torn and mended when the shortage appears at all excessive, and I would therefore be pleased to hear from you in this connection, for I feel that you desire to protect the interests of my clients in the best possible manner.

"Kindly advise and very greatly oblige."

The line addressed replied to Mr. Nichols that it is not customary in the flour trade to comply with what he requests, and that they therefore decline to do so.

Yours, truly,

LAWSON SANDFORD, *Secretary.*

[The Trans-Atlantic Associated Freight Conferences.]

No. 19 BROADWAY,
New York, July 28, 1910.

To the lines:

DEAR SIRS: "Condition of export cargo on delivery to steamships."

Last general communication on this subject is dated June 22, 1910.

The action of all lines, all North Atlantic ports, taken through port executive committee June 9, 1910, is as follows:

"Read communication from the freight claim conference of New York railroads, stating that they have developed that 'outside collecting agencies,' or claim adjusters, solicit steamship lines for information of condition and character of freight delivered by inland carriers—no doubt secured for claim purposes. Request made that such information be declined by steamship lines. New York lines are prepared to adopt a rule to refrain from so doing if all lines at North Atlantic ports take same action. This the port executive committee approve."

In going deeply into all relative matters it was discovered that the New York freight claim conference covers only the railroads terminal at New York, Boston, Philadelphia, and Baltimore. It has been explained to the chairman of that conference that the steamship action is intended to cover all ports, New-
port News and Norfolk on the south and Montreal and Quebec on the north, inclusive. He will therefore undertake to communicate with the railroads terminal at the ports for which he can not now speak, anticipating that they will concur.

The action of the steamship lines proposes to refuse information to all persons whatsoever, except connecting carriers, but at the moment the New York Freight Claim Conference is not in position to adopt this as an invariable proposition. It is being considered by them, and advice will follow promptly.

If all railroads at North Atlantic and Canadian ports take concurrent action, secretary understands that all steamship lines are ready to apply the rule just as soon as notice is received from this office. It will not be given until the New York Freight Claim Conference completes its work.

The New York Freight Claim Conference, as an appreciation of the proposed export action, will take concurrent steps on import traffic.

Yours, very truly,

LAWSON SANDFORD.

NEW YORK, July 28, 1910.

To interested lines:

DEAR SIRS: "Live stock attendants—import and export (U. S. Government formalities)."

The existing regulations of the United States Immigration Service under Rule 42 deal with the question of returning cattlemen employed usually by shippers to attend to live stock exported from the United States.

Arising out of recent incidents at the port of New York, it seems desirable to ask each line to state what formalities are demanded or required by any United States authority at their port. Also what each line considers requisite under all existing circumstances as to import and export live stock attendants.

Please individually respond as promptly as possible. Replies will be tabulated, and Hon. William Williams, United States commissioner of immigration at New York will probably consent to serve as the medium for working out some basis which shall fully cover all things germane hereto.

For preliminary information there are supplied herewith copies of Commissioner Williams's letter to Atlantic Transport Line July 20, and to conference July 26, 1910.

Yours, truly,

LAWSON SANDFORD.

Commissioner Williams's letter to Atlantic Transport Line dated July 20, 1910:

"This is in reply to your favors of June 24 and June 29, in which you request that you be relieved of the necessity of paying in head tax in respect of arriving cattlemen until such time as it shall be determined whether or not they have gone out of the country by the steamer on which they arrived. I think your request a reasonable one and take pleasure in granting it. This is of course conditioned upon your continuing fully and properly to manifest all such cattlemen. I assume that you will give instructions of a character which will not be misunderstood to all of your subordinate employees concerned that they must be scrupulously careful in their reports in relation to these cattlemen, so that head tax shall be paid without any question upon those that do not leave the country. This office will carefully observe the working of this new arrangement during the next few months."

Commissioner Williams to conference dated July 26, 1910:

"In response to your telephonic request of the 25th instant, I submit the following in reference to cattlemen or live-stock attendants:

"Of cattlemen or live-stock attendants employed abroad there are two classes: (a) Those employed by the steamship companies for the round trip, and (b) those employed by the live-stock owners. All cattlemen, of whichever class, must be fully manifested and inspected upon arrival, the same as other aliens. If in the employ of the steamship company merely for the round trip (class 'A'), this must be so stated in column 18. If employed by the live-stock owners (class 'B'), their destinations in the United States with cattle must be shown in column 18 (it being presumed, of course, that they are not going to join 'a relative or friend'). Both classes should be manifested in column 6 as 'transit cattlemen' and in column 15 it should be shown whether they are on the 'ship's articles' or their passage was paid by their employers, the live-stock owners. Head tax in the case of class 'b' is assessed in the regular manner and placed in a special deposit, refund to be made upon presentation of satisfactory proof of departure from the United States within thirty days. In the case of class 'a,' the tax is not assessed until it can be determined whether or not such cattlemen or live-stock attendants have departed from this country by the steamer on which they arrived. The final destinations (column 12) of 'transit cattlemen' should not be given as points within the United States. The places abroad to which they intend to return after delivery of cattle or live stock should be given as the final destination.

"Even if cattlemen and live-stock attendants be employed by the steamship companies and signed on the 'ship's articles,' yet the Government has never conceded that they are seamen in any sense of the word.

"For your information, I inclose copy of a communication addressed by this office to the Atlantic Transport Line under date of July 20 with reference to the assessment of head tax on cattlemen employed by steamship companies."

[Copies sent all lines, all United States and Canadian ports.]

NEW YORK, November 18, 1910.

To the freight managers New York lines:

DEAR SIRS: "Delivery of freight to connecting carriers; uniformity in receipts for this purpose; proposal of New York trunk lines."

There has been referred to the port executive committee members subjoined communication from Mr. H. C. Davis and Mr. George Linn, representing lighterage and foreign freight departments, New York trunk lines.

LAWSON SANDFORD.

The railroad companies would like to have some uniform receipt used in delivering freight to trans-Atlantic lines, and as all export freight is known as "Order" freight, and is subject to delivery against the B/L, only one form will be necessary, and we should like to have your committee consider and advise us what changes or alterations will be necessary on one of the enclosed forms to make it satisfactory to your lines."

Number of packages.	Description of articles and special marks.	Weight.	Rate.	Total amount of—			
				Freight and advances.		Prepaid.	
Consignor.....		Total					
Original point of shipment.....		Transfer charges.....					
Ex. car or steamship.....							

[Form A. R. 13. J. K. P.-10 M.-161140.]

This transfer receipt must be legibly filled in by typewriter or in ink, in indelible pencil or in carbon, and retained by the agent.

NEW YORK CENTRAL & HUDSON RIVER RAILROAD COMPANY.

TRANSFER RECEIPT.

Straight shipment.

Pro. No. ———

——— Station, ———, 191—.

Received by ——— Company, the property described below, in apparent good order (contents and condition of contents of packages unknown) marked, consigned, and destined as indicated below.

Consigned to ———. Destination ———, State of ———, County of ———. Route ———.

No. of packages.	Description of articles and special marks.	Weight.	Rate.	Total amount of—	
				Freight and advances.	Prepaid.
.....
.....
Consignor.....		Total.....	.....	.....	.....
Original point of shipment.....		Transfer charges.....	.....	.....	.....
Ex. car or steamship.....		.....	.....	.....	.....

———, Agent,
———, 191—.

[Form A. R. 14. J. K. P.-2 M.-161142.]

This transfer shipping order must be legibly filled in by typewriter or in ink, in indelible pencil or in carbon, and retained by the agent.

NEW YORK CENTRAL & HUDSON RIVER RAILROAD COMPANY.

TRANSFER SHIPPING ORDER.

Order shipment.

Pro. No. ———

——— Station, ———, 191—.

The ——— Company: Receive the property described below, in apparent good order (contents and condition of contents of packages unknown), marked, consigned, and destined as indicated below.

Consigned to order of ———. Destination ———, State of ———, County of ———. Notify ———, at ———, State of ———, County of ———. Route ———.

Number of packages.	Description of articles and special marks.	Weight.	Rate.	Total amount of—	
				Freight and advances.	Prepaid.
.....
.....
Consignor.....		Total.....	.....	.....	.....
Original point of shipment.....		Transfer charges.....	.....	.....	.....
Ex. car or steamship.....		.....	.....	.....	.....

Issued by ———, per ———.

[Form A. R. 14. J. K. P.-2 M.-161142.]

This transfer receipt must be legibly filled in by typewriter or in ink, in indelible pencil or in carbon, and retained by the agent.

NEW YORK CENTRAL AND HUDSON RIVER RAILROAD COMPANY.

TRANSFER RECEIPT.

Order shipment.

Pro. No. _____

Station ——— 191—.

Received by _____ Company, the property described below, in apparent good order (contents and condition of contents of packages unknown) marked, consigned, and destined as indicated below. _____

Consigned to order of _____, Destination _____, State of _____, county of _____. Notify _____ at _____, State of _____, county of _____. Route _____.

No. of packages.	Description of articles and special marks.	Weight.	Rate.	Total amount of—			
				Freight and advances.		Prepaid.	
Consignor.....		Total.....					
Original point of shipment.....		Transfer charges.....					
Ex. car or steamship.....							

_____, *Agent.*

—, 191—.

EXHIBIT No. 138.

MINUTES.

THE TRANS-ATLANTIC FREIGHT CONFERENCE (NEW YORK).

[Confirmed by all lines as to record and action. Issued June 22, 1910.]

*Minutes of a meeting held at No. 17 State Street, New York, on Wednesday,
June 8, 1910, at 3.10 p. m.*

Present: A. C. Fetterolf and W. J. Love, American, Atlantic Transport, Red Star, and White Star lines; W. J. G. Hudson, Anchor Line; R. L. Walker and F. P. Gaskell, Cunard Line; Howard Jones, Fabre Line; Oscar R. Cauchols, French Line; W. G. Sickel, A. J. Zock, and H. Von Schuckmann, Hamburg-American Line; A. Gips, Holland-America Line; G. Starace, Italia, La Veloce, Navigazione; L. A. Morgan, Lamport & Holt Line; H. C. Japp and Fr. Rapp, North German Lloyd; W. L. Walther, Scandinavian-American and Sloman-Union lines; J. P. McGill, Sicula-Americana; C. H. Georgi, Wilson and Phoenix lines.

1. *Storage and car demurrage at seaboard on export freight.*—March 25, 1910, Trunk Line Association submitted proposal of trunk line traffic managers and representatives of railroads operating from Canadian, New England, and Virginia ports. This was transmitted to all lines at all ports in secretary's memorandum, March 28. As railroads requested joint conference, New York lines designated Messrs. Fetterolf, Sickel, Cauchols, and Hudson as a special committee on the subject. This committee, with steamship representatives from other ports, met railroads April 20.

The proposal was not accepted.

But in an endeavor to make some headway negotiations were continued, and a further meeting between committees will be held June 9.

After hearing verbal and detail report of special committee and discussing the matter at length, it was declared as the sense of this meeting that all New York lines are opposed to any proposition involving payment of car demurrage or storage charges by steamship lines, and it was understood that the special committee would argue that negotiations should be shifted to and conducted between railroads and shippers on all points involved in the premises.

NOTE.—Proceedings of meeting steamship committees with railroads on June 9, 1910, appear as a separate document, and show that no conclusion could be reached, but that negotiations are likely to continue.

2. *Demurrage on lighters in the port of New York (charged by railroads).—Development of regulations on subjects of common interest to railroads and steamships.*—Resolved, That a committee of three be appointed to confer with a committee of Caribbean conference, and with any other groups of steamship lines desiring to cooperate, to determine if some proposition can be framed to deal with this subject.

Committee being further authorized and empowered to develop propositions on any others which are of common interest to railroads and steamship lines.

Messrs. Walther, Fetterolf and Berner were named to constitute this committee.

NOTE.—On the general proposition, port executive committee members, Trans-Atlantic associated freight conferences, ratified this action at their meeting June 9, 1910, and will cooperate with the special New York committee in behalf of their ports respectively.

3. *Cotton—Wrong and illegible marks.*—In May, 1910, steamship interests at Savannah, through their maritime association, adopted the following resolution:

"In consequence of the confusion that has resulted and the serious losses incurred on account of delivering cotton to steamers at loading port with wrong and illegible marks, which has resulted in receivers enforcing heavy claims against steamers for wrong delivery at port of discharge, we find it necessary to advise all shippers that on and after September 1 next ship agents will reject any cotton not durably and legibly marked. Marks other than those under which the cotton is shipped must be thoroughly obliterated. Transportation companies are therefore notified to pass this information to their interior agents, so that in receipting for cotton to the previous carrier, press, or shipper, they may take similar action and prevent delay and trouble at the port."

Since then steamship lines at Charleston, Brunswick, Fernandina, and Jacksonville have ratified this resolution. It is now before all lines members of associated freight conferences.

The sense of this resolution is approved, but with the reservation that it might well be modified, as in its present form it might be difficult to actually refuse a shipment or a part thereof on account of absence of, wrong or illegible marks, and it was—

Resolved, That the New York lines are prepared to join in a general circular of all lines at all North Atlantic ports, to be appropriately worded, and providing that if cotton coming under this description is presented ship has the right to refuse it.

Such general circular to be sent to all connecting carriers.

NOTE.—This resolution was ratified as to all lines at all North Atlantic ports at meeting of port executive committee, trans-Atlantic associated freight conferences, on June 9, 1910.

4. *Transportation and delivery of intoxicating liquors—Sections 238, 239, and 240, Penal Laws of the United States.*—April 22, 1910, all lines at ports notified (with copies of these sections) of letter received from trunk line association, stating that they should receive prompt consideration by steamships and requesting that steamships be governed by them on traffic delivered by steamships to railroads.

The sections are lengthy and, together with a brief thereof, are repeated as a part of these proceedings. Copy also attached of United States Treasury Decision 30661, June 6, 1910.

It was developed as the sense of the meeting that the matter is one for individual action; also that many lines have already communicated with their offices abroad; that receivers have been posting their shippers; and that in respect to import traffic it is probable that the conduct of business can be readily conformed to these requirements of law.

5. *Glardon safety clip.*—Application from American agency that lines take cognizance of this device. It was considered that joint action here was unnecessary.

6. *Bills of lading—Revision of permanent uniform conditions.*—Subject in hands of a committee of New York lines, their current report being dated May 14, 1909.

New York committee is prepared to continue its work, with cooperation of port executive committee members (which was assured at their meeting June 9, 1910).

Liverpool Steamship Owners' Association has also taken up the subject, and, according to custom, it will be dealt with jointly.

7. *Export flour shipments.*—New York standing committee (Messrs. Gips, Love, Pentz, and Arkell) made a report upon the three following subjects:

(a) Necessity of overcoming delay in delivery to steamship lines to insure prompt fulfillment of deliveries to consignees abroad.

(b) Torn and soiled sacks.

(c) Character of sacks—flimsy cotton being insufficient.

Unfortunately the Millers' National Federation has not taken any definite or binding action beyond spreading communications from conference in May, 1909, upon the records of their mass meeting held in the same month.

NOTE.—Port executive committee members arranged at their meeting June 9, 1910, to participate in this matter as necessary.

8. *Condition of export cargo upon delivery to steamships.*—Read. Communication from the freight claim conference of New York railroads stating that they had developed that "outside collecting agencies" or claim adjusters solicit steamship lines for information of condition and character of freight delivered by inland carriers—no doubt secured for claim purposes. Request made that such information be declined by steamship lines.

On call of the roll it was developed that New York lines are prepared to adopt a rule to refrain from so doing if all lines from all North Atlantic ports take same action.

NOTE.—This proposition was concurred in by port executive committee members at their meeting June 9, 1910.

9. *Cartage on import traffic.*—Regulations of trunk lines adopted many years ago (and in consultation with steamship lines) appear to have been subject to change in the interval without mutual consideration of the causes for such changes, and Messrs. Von Schuckmann and McGill were appointed a committee to examine into the entire subject and to report.

Adjourned.

Confirmed.

W. G. SICKEL, *Chairman.*

MEMORANDA.

[Reprinted June 8, 1910.]

NEW YORK, April 22, 1910.

To the freight managers, United States port trans-Atlantic steamship lines.

DEAR SIRS: "Transportation and delivery of intoxicating liquors," penal laws of the United States effective January 1, 1910, sections 238, 239, and 240 apparently applying also to trans-Atlantic carriers.

Mr. McCain, trunk line association, calls attention to these sections, which are quoted in full below.

Action by the lines individually seems necessary.

An endeavor has been made to brief these sections, viz:

SEC. 238. Any agent or employee of any common carrier who shall knowingly deliver to any person other than the consignee, unless on written order, any intoxicating liquors shipped interstate or from any foreign country into any State or Territory, subject to United States jurisdiction, shall be fined not more than five thousand dollars or imprisoned not more than two years, or both.

SEC. 239. Any such carrier transporting intoxicating liquors who shall collect the whole or part of the purchase price from consignee or any other person under any circumstances, or act as agent or buyer or seller of any such liquors, for the purpose of buying or selling or completing the sale thereof, saving only in the actual transportation and delivery of same, shall be fined not more than five thousand dollars.

SEC. 240. Whosoever shall knowingly ship into such United States territory any package of or containing any intoxicating liquors, unless package labeled

on outside cover to plainly show name consignee, nature of contents, and quantity, shall be fined not more than five thousand dollars and such liquor shall be forfeited.

Mr. McCains letter contains the following observations: "This is a matter which should receive prompt consideration by steamship lines, and they are requested to arrange to be governed accordingly on traffic delivered by them to their rail connections, with advice of action taken as early as possible."

Yours, truly,

LAWSON SANDFORD.

FULL TEXT OF SECTIONS.

SEC. 238. Any officer, agent, or employee of any railroad company, express company, or other common carrier, who shall knowingly deliver or cause to be delivered to any person other than the person to whom it has been consigned, unless upon the written order in each instance of the bona fide consignee, or to any fictitious person, or to any person under a fictitious name, any spirituous, vinous, malted, fermented, or other intoxicating liquor of any kind which has been shipped from one State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, into another State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, or from any foreign country into any State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, shall be fined not more than five thousand dollars or imprisoned not more than two years, or both.

SEC. 239. Any railroad company, express company, or other common carrier, or any other person who, in connection with the transportation of any spirituous, vinous, malted, fermented, or other intoxicating liquor of any kind, from one State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, into any other State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, shall collect the purchase price, or any part thereof, before, on, or after delivery, from the consignee, or from any other person, or shall in any manner act as the agent of the buyer or seller of any such liquor, for the purpose of buying or selling or completing the sale thereof, saving only in the actual transportation and delivery of the same, shall be fined not more than five thousand dollars.

SEC. 240. Whoever shall knowingly ship or cause to be shipped, from one State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, into any State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, or from any foreign country into any State, Territory, or District of the United States, or place noncontiguous to but subject to the jurisdiction thereof, any package of or packing containing any spirituous, vinous, malted, fermented, or other intoxicating liquor of any kind, unless such package be so labeled on the outside cover as to plainly show the name of the consignee, the nature of its contents, and the quantity contained therein, shall be fined not more than five thousand dollars; and such liquor shall be forfeited to the United States, and may be seized and condemned by like proceedings as those provided by law for the seizure and forfeiture of property imported into the United States contrary to law.

[Trans-Atlantic Associated Freight Conferences, June 16, 1910.—"Transportation and delivery of intoxicating liquors," penal laws of the United States, effective January 1, 1910, sections 238, 239, and 240 apparently applying also to trans-Atlantic carriers.—United States Treasury Department decision (30661), June 6, 1910.—Labeling of packages of liquors under section 240 of the Criminal Code (T. D. 30393).]

TREASURY DEPARTMENT, *June 6, 1910.*

SIR: The department duly received your letter of March 12 last relative to the enforcement of the provisions of section 240 of the Criminal Code (T. D. 30393) for the labeling of packages of liquors.

Referring to the three particulars required by said section to be shown on the outside cover, I have to state that the department has decided:

1. That the name of the consignee may be either that of the nominal consignee or the ultimate consignee.

2. That the nature of the contents may be described in general terms, as "brandy," "whisky," "wine," etc., the name of the brand not being required.

3. That the quantity of contents may be expressed either by the number of bottles, as "12 bottles," or "24 half bottles," or "1 dozen quarts," or "2 dozen pints," etc., or by the number of gallons, quarts, etc.

The examination of the labeling of packages of liquor under said section entered for immediate transportation to interior ports need not be particularly minute as to detail, but should be sufficiently careful to determine whether or not the merchandise in question is labeled in substantial compliance with the requirements of the statute.

Respectfully,
(68774.)

CHARLES D. HILLES,
Assistant Secretary.

COLLECTOR OF CUSTOMS, *New York.*

NEW YORK, *July 11, 1910.*

To the freight managers, New York lines.

DEAR SIR: "Custody" bill of lading cotton. It is understood that this form is provided by the Kern committee circular, dated Liverpool, July 26, 1909, as an equivalent for a port bill of lading, thereby to place coastwise lines in a position to continue to carry cotton via North Atlantic ports in connection with trans-Atlantic steamers to Europe.

Just now there are appearing at the port of New York "custody" through bills of lading of coastwise lines.

It seems, in order for trans-Atlantic lines to accept shipments in connection with such "custody" through bills of lading, provided—

(1) There is attached agent's receipt that the cotton had been loaded within the specified time at the southern port, and in all other respects the Kern committee circular had been complied with.

(2) (Which it seems almost superfluous to state) the connecting carrier is fully responsible for all things concerned with the shipment—a guarantee from the connecting carrier in that event seems unnecessary.

Yours, truly,

W. G. SICKEL,
A. C. FETTEROLF,
New York Members Port Executive Committee.

MINUTES.

The Trans-Atlantic Freight Conference (New York)—Minutes of an informal meeting held at No. 17 State Street, New York, on Wednesday, August 17, 1910, at 3.10 p. m.

Present: A. C. Fetterolf and W. J. Love, American, Atlantic Transport, Red Star, and White Star lines; James T. Dinsmore, Booth Line; F. P. Gaskell, Cunard Line; O. R. Cauchois, French Line; W. G. Sickel, A. J. Zock, and Charles Harrington, Hamburg-American Line; A. E. Berner, Lloyd Italiano; Paul Reitmann, Lloyd Sabauda; H. C. Japp, North German Lloyd; J. P. McGill, Sicula-Americana.

On motion, Mr. Oscar R. Cauchois was requested to act as chairman of the meeting.

It was stated that the meeting had been called to consider the circular letter of Mr. Kern, chairman of the committee of the bill of lading conference, 1907, dated July 22, 1910, regarding various new features in respect to cotton bill of lading matters. The "additional agreement" embodied on third page of Mr. Kern's circular letter was taken up and discussed informally section by section.

Section 1. No serious objection was found to the consecutive numbering of cotton bills of lading, although it was not developed what advantage would be derived from numbering these bills of lading.

Section 2. As to the question that cotton on a port bill of lading be actually loaded on steamer within ten days from date of such bill of lading, this can be complied with at New York and probably at other North Atlantic ports, but it has been reported that the time limit is believed to be too short to meet conditions existing at Gulf ports.

It was shown with regard to cotton shut out, for which a port bill of lading had been issued, that the time limit of 20 days for loading after sailing of steamer, for which port bill of lading had been issued, was erroneous, but that there is probably no objection, except on the part of such lines at the Gulf which may be maintaining only one sailing per month.

Section 3. In regard to cotton shipped on through bill of lading obligating the steamship line to put it on the carrying vessel within 21 days after date of arrival at port of shipment, opinion was that this condition was onerous and could not be enforced by the carrying vessel, as they have no control over the railroad or coastwise vessel issuing bill of lading and bringing the property to the port of shipment of the ocean carrier.

It being understood that a number of the owners of trans-Atlantic steamers have already signed Mr. Kern's "additional agreement," no definite action was taken beyond an expression of the sense of the meeting that these informal comments should be transmitted to all North Atlantic lines.

Adjourned.

Confirmed.

O. R. CAUCHOIS, *Chairman*.

MEMORANDA.

THE TRANS-ATLANTIC ASSOCIATED FREIGHT CONFERENCES,
17 State Street, New York, September 27, 1910.

To the freight managers:

DEAR SIRS: "Export shipments of logs and lumber—National Lumber Exporters Association." Mr. Harvey M. Dickson, of Norfolk (president); Mr. W. H. Russe, of Memphis; and Mr. John L. Alcock, of Baltimore, constituting a committee of the association for a visit to Europe, sailing from New York October 8 on steamship *Minneapolis*.

The attention of the lines is drawn to attached copies of letters received from Mr. Dickson, dated 17th and 22d September.

They explain themselves.

Lines so desiring are requested to promptly send to conference letters of introduction to their European offices in favor of this committee of the lumber exporters.

Prior to their sailing several of the port executive committee members will have opportunity to meet them and discuss matters in general.

It is to be especially noted that Mr. Dickson considers that the existing arrangement between lumbermen and steamship lines is working satisfactorily; however, it will be in order to consider an addition to provide for the enforceability of freight contracts. There have been several instances of late where lumber shippers have not carried out contracts made in good faith, claiming that they were able to get less ocean rates elsewhere.

Yours, truly,

LAWSON SANDFORD, *Secretary*.

Mr. Dickson to conference, September 17, 1910:

"Mr. W. H. Russe, of Russe & Burgess; Mr. John L. Alcock, of Baltimore; and I will sail on the steamship *Minneapolis* from New York for London on October 8. While we are on the other side we would like to have conferences with various steamship lines in London, Liverpool, Glasgow, and Antwerp. If not asking too much, I would appreciate it very much if you would give me a letter of introduction to the various steamship offices in any of these ports. We might be able to accomplish a great deal between the lines and our association provided we can call upon them while over on the other side and discuss matters of mutual interest. I do not know that there is any one particular

subject, but matters which would be of general interest. One matter which I think we shall want to discuss while we are over there is the question of damage to lumber in transit. This committee is appointed by the National Lumber Exporters' Association to make this trip for the purpose of discussing matters of interest to the lumber trade, and while there would like, of course, to take up questions with steamship lines which lines are members of our agreement.

"If I should be fortunate to be in New York a day before sailing, I should like to come in and talk matters over with you. If I am able to do this, it will be on the 7th of October. I fear, however, that my time is going to be so limited that I shall be obliged to not leave here until the night before the day for sailing for London. If, however, I can arrange it, I should be very glad to have a conference with you before sailing."

Mr. Dickson, to conference, September 22, 1910:

"I have yours of September 20. We should very much like to have a talk with you before sailing and will have one, providing we are able to get into New York, so that we may have some time prior to the sailing of the *Minneapolis* October 8.

"As I wrote you in a former letter, one of the matters we should like to take up with the lines was the damage to lumber in transit, or more properly speaking, the payment of claims for such damage without so much unnecessary trouble. You will understand that we are not going to Europe for the purpose of discussing this matter with steamship lines, but are going for the purpose of and in hopes of improving the trade conditions between the two countries. There are many things which we believe can be greatly improved by a personal interview with the brokers and buyers; we believe it will facilitate our business greatly for the brokers and buyers to understand more fully the conditions existing on this side, and for us to understand more fully conditions as they exist over there.

"While we were over we thought it would probably be well to make the acquaintance of the various managers of the steamship lines. I am very pleased to say that apparently our arrangement or agreement with the steamship lines is working very satisfactorily, we are having very few complaints from our members, and it is a source of gratification to be able to say that everything is working along as smoothly as could possibly be expected. If we can get the time to spend a few hours with you before sailing we shall be glad to do so; in case we can not, however, we will be glad to have a letter of introduction to the managers of the various steamship lines, so that we may call on them.

The CHAIRMAN. How far are these passenger rules binding upon the several steamship companies that comprise this Conference?

Mr. SANDFORD. That is answered by the resolution No. 4 (Exhibit No. 134), "That the members of this Conference agree, one with the other, to faithfully abide by and fulfill every rule and obligation adopted at its meetings or otherwise, in spirit as well as letter, and this undertaking is considered as made upon honor" and qualified by rule 13:

Any member may withdraw from the Conference at any time on giving written notice of intention so to do to the secretary.

And further by rule 14:

No line or any of its officers or general passenger agents shall be justified in committing any breach of any Conference rule or regulation because some other line or office or general passenger agent has been or is alleged to be doing so.

Mr. GARRETT. Can any line go in that desires to do so?

Mr. SANDFORD. All the lines in the trade are members of the Conference.

Mr. GARRETT. Has there ever been a refusal to permit any line to join?

Mr. SANDFORD. Never. The Mediterranean Conference started in the eighties with 4 or 5 members and now comprises 20.

Mr. GARRETT. All the lines in the group, all that are engaged in the trade, are members of the particular Conference in which they are interested. Is that correct?

Mr. SANDFORD. Yes.

Mr. GARRETT. There has never been a refusal of membership to anybody?

Mr. SANDFORD. No.

Mr. GARRETT. Have all companies at all times been members of the Conference; has there ever been a company that has not been a member of the Conference?

Mr. SANDFORD. Yes; at times lines have not been members; but as a general thing, the lines have maintained their membership permanently.

Mr. GARRETT. In those cases where a line has not been a member of the Conference has there been any concerted action on the part of the Conference to compete with that particular line?

Mr. SANDFORD. No.

Mr. GARRETT. In the matter of rates and to put them out of business?

Mr. SANDFORD. No.

Mr. LONGWORTH. The Continental Conference, I understand, consists of those lines which operate between continental ports and the United States?

Mr. SANDFORD. Yes.

Mr. LONGWORTH. I observe that the American Line is not a member of that Conference.

Mr. SANDFORD. The American Line is a member of the North-Atlantic Passenger Conference.

Mr. LONGWORTH. But not a member of the Continental Conference?

Mr. SANDFORD. No. The American Line does not touch a "continental port."

Mr. LONGWORTH. It runs to Southampton—

Mr. SANDFORD. It calls at Cherbourg, and for that reason is a member of the Mediterranean Conference.

Mr. LONGWORTH. Cherbourg is considered a Mediterranean port?

Mr. SANDFORD. Cherbourg is in France and is a port of call principally for cabin business. No freight is taken on or off at Cherbourg. It is also a short route for north Italy, and thus used by the American line for third-class business.

Mr. LONGWORTH. Then there is no American ship that touches any continental port between New York and continental ports?

Mr. SANDFORD. The "continental ports," so termed in this trade sense, are Havre, Boulogne, Rotterdam, Amsterdam, Antwerp, Hamburg, Bremen, and Libau, and, in the Adriatic, Trieste and Fiume (the national port of Hungary).

The CHAIRMAN. Then, there is no competition whatever between any American line and any foreign line in this country as to continental ports?

Mr. SANDFORD. The American Line, New York service, conducts its continental business by way of Southampton, transshipping; or, in the case of its Philadelphia service, transshipping at Liverpool. With the closer working of traffic routes to-day it was found best in 1908, as questions were coming up of common interest to the so-

called "north Atlantic" and "continental" groups of the Conferences, to maintain their memoranda of and their meetings as joint; so I might say, if you desire a categorical reply, that the American Line is a member of the Continental Conference.

The CHAIRMAN. You say it is a member of the Continental Conference?

Mr. SANDFORD. Yes; in that sense.

Mr. LONGWORTH. But only in the sense of including agreements for transshipping?

Mr. SANDFORD. Oh, no, indeed; the British lines carry a large continental traffic east and west bound.

The CHAIRMAN. What agreements have you in these Conferences in regard to freight? You say these solely affect passenger business?

Mr. SANDFORD. Yes. This is the freight [referring to exhibit marked 137a].

Mr. GARRETT. Does each line keep on file in the office of the conference a schedule of its passenger rates?

Mr. SANDFORD. Each line, through the Conference office, gives to the other lines in the trade copies of their published tariffs for public information. When a change is made of any interest to the public, it is provided that a small supply of about 40 copies shall be sent to the Conference office and by the Conference distributed to all the lines.

Mr. LONGWORTH. Have the proceedings of this Conference ever been investigated by any branch of the Government?

Mr. SANDFORD. Yes.

Mr. LONGWORTH. On what occasion?

Mr. SANDFORD. By the Federal grand jury for this district, during this year.

Mr. LONGWORTH. For what reasons?

Mr. SANDFORD. I was summoned as a witness, and they asked about the same questions you are asking me now.

Mr. LONGWORTH. Did you turn over any papers to them?

Mr. SANDFORD. Yes.

Mr. LONGWORTH. What was the conclusion of the proceeding?

Mr. SANDFORD. I have never heard of any conclusion whatever.

Mr. HAWLEY. What caused the grand jury to make the investigation?

Mr. SANDFORD. I don't know that.

Mr. LONGWORTH. Did you furnish any other papers than those you have furnished to this committee?

Mr. SANDFORD. They called for some specific documents, but I think I have given you the documents typical of the business.

Mr. LONGWORTH. Were any other members of the Conference than yourself summoned?

Mr. SANDFORD. Before the grand jury?

Mr. LONGWORTH. Yes.

Mr. SANDFORD. Yes. I think that Mr. Boas and Mr. Lederer, of the Hamburg-American Line, and Mr. Nyland, of the Holland-American Line, were the only steamship witnesses besides myself.

Mr. LONGWORTH. And no further proceedings were taken than your appearance before the grand jury?

Mr. SANDFORD. No.

Mr. GARRETT. Take the matter of the passenger rates by all the lines in this Mediterranean Conference. Do the rates happen to be the same on each line?

Mr. SANDFORD. They are not the same.

Mr. GARRETT. For the same character of accommodations?

Mr. SANDFORD. About the same; but the ships vary in size and speed and capacity and equipment.

The CHAIRMAN. The rates differ in any line between different vessels of that line, do they not?

Mr. SANDFORD. Yes.

The CHAIRMAN. Is not the general character of rates the same throughout all the steamship companies that are members of this Conference?

Mr. SANDFORD. You are speaking of cabin or steerage rates?

The CHAIRMAN. Everything.

Mr. SANDFORD. Cabin rates are adjusted in accordance with the character of the accommodation, the number of passengers in a room, location of room, etc.

The CHAIRMAN. And steerage?

Mr. SANDFORD. Steerage rates are based in a general way upon the quality of the ship, her speed and size.

Mr. HAWLEY. Take vessels of the same class among the several lines. Do the passenger rates—

Mr. SANDFORD. I am only giving a general observation, because each line fixes its own rates.

Mr. HAWLEY. Take vessels of the same class in the same line. Do the same passenger rates prevail for the same accommodations exactly?

Mr. SANDFORD. Of the same line?

Mr. HAWLEY. In different lines?

Mr. SANDFORD. Not necessarily.

Mr. GARRETT. Well, do they as a fact?

Mr. SANDFORD. Not as a matter of course.

Mr. GARRETT. I understand that you have testified you do not control the rates. But what is the fact about that?

Mr. SANDFORD. The rates are fixed in Europe.

Mr. HAWLEY. Suppose, as a matter of fact, I wanted to go to Continental Europe, and I went to the different offices of the steamship companies here in New York and applied for rates on vessels of the same class all the way through, for accommodations of the same kind, the same number of passengers in a room, and the same accommodations in every respect whatever, would the rates be the same?

Mr. SANDFORD. About the same, I should judge; the level would be about the same for equivalent ships.

Mr. GARRETT. What about freight rates in that respect?

Mr. SANDFORD. Freight rates are governed by the law of supply and demand.

Mr. LONGWORTH. Are there any other lines now operating between New York and continental ports that are not members of the Conference?

Mr. SANDFORD. No established lines at all who are not members of the Conference.

Mr. LONGWORTH. What is the Uranium Steamship Company?

Mr. SANDFORD. I don't know. It is a steamship company running between Rotterdam, Halifax, and New York, and employing about three steamers, I believe.

Mr. LONGWORTH. Is it foreign owned?

Mr. SANDFORD. I believe so.

Mr. LONGWORTH. Does it sail under the Dutch flag?

Mr. SANDFORD. I am not sure about that.

Mr. LONGWORTH. That is not a member of the Conference?

Mr. SANDFORD. No.

The CHAIRMAN. Have they ever made any application to become a member?

Mr. SANDFORD. No.

Mr. HAWLEY. In this letter of February 11, 1910, or circular, or whatever it may be called [referring to exhibit No. 134], the fifth resolution reads as follows:

That the members of this Conference undertake to consider and maintain all questions and actions that may be considered or adopted in connection herewith as sacred and confidential in the highest degree; and that in any case where it is necessary to communicate conference or individual action to anyone whatsoever, it shall be done as an individual communication or instructions, and no reference shall be made to conference action.

What is the reason of that resolution?

Mr. SANDFORD. The concluding sentence.

Mr. HAWLEY. And that reads:

This resolution also means that minutes, memos, and dockets shall not be communicated to general passenger agents who may be acting as agents or sub-agents of other lines.

No other reason except to prevent their being communicated to the agents?

Mr. SANDFORD. The idea is that the proceedings of the lines need not be public to the booking agents.

Mr. HAWLEY. Why so stringent a resolution?

Mr. SANDFORD. Because it was found that sometimes agents knew what was being considered in conference. There might be leaks, and it did not seem fitting that a person who was employed on a commission, doing a very small business and representing possibly only two or three lines, should know what the lines themselves were doing.

Mr. HAWLEY. These actions are in your book of minutes?

Mr. SANDFORD. Yes.

Mr. HAWLEY. Did you bring that book of minutes with you to-day?

Mr. SANDFORD. This is a single set of minutes of this series of the Mediterranean conference [referring to Exhibit 134].

Mr. HAWLEY. You mean that you keep no minutes of the actions of the conference?

Mr. SANDFORD. Oh, yes; minutes of this character.

Mr. HAWLEY. Did you bring the book of minutes with you this morning?

Mr. SANDFORD. No; but I brought the set of memos and communications that transpired.

Mr. HAWLEY. But it occurs to me that in the course of your business in your conference meetings, that various motions would be made from time to time affecting the business of the conference, and that you must keep a record of those motions and actions. You keep such a record, do you not?

Mr. SANDFORD. They are all right here, sir [indicating papers on table].

Mr. HAWLEY. Do you keep no book of minutes?

Mr. SANDFORD. They are made on this manifold, hectograph or mimeograph process.

Mr. GARRETT. In the Freight Conference, do the several lines of steamers keep their freight rates on file, their schedule of freight rates on file?

Mr. SANDFORD. The Freight Conference deals with noncompetitive subjects purely.

Mr. LONGWORTH. Suppose, for example, that for some reason or other a line which was a member of this Conference should, on any particular trip, reduce rates so far that they would make the trip at a loss. Would that loss be prorated among other members of the conference?

Mr. SANDFORD. No.

Mr. LONGWORTH. Has there ever been such a case?

Mr. SANDFORD. No.

Mr. LONGWORTH. Could such a case happen without you knowing it, as secretary of the Conference?

Mr. SANDFORD. No.

The CHAIRMAN. Then you must keep pretty well advised in regard to the rates, even though the Conference does not fix them?

Mr. SANDFORD. It is a matter of routine—the exchange of circulars, which are promptly delivered among all the lines.

Mr. LONGWORTH. Have you ever known of a case where rates were placed so low that a trip was made at a loss?

Mr. SANDFORD. In times gone by there have been low rates; not in recent years. There have been rates as low as \$14 or \$15.

Mr. LONGWORTH. That is, steerage rates?

Mr. SANDFORD. Yes.

Mr. LONGWORTH. The average rate is about what?

Mr. SANDFORD. About \$32 or \$35; it depends upon the trade.

Mr. LONGWORTH. Would a rate of \$30 be profitable, in your opinion?

Mr. SANDFORD. I have never had access to the figures showing the cost of carrying passengers. A great many things would have to be brought into consideration—the expense of the ship, depreciation, the number of passengers, and so forth.

The CHAIRMAN. Do you have anything whatever to do with making arrangements with the railroad companies which take steerage passengers after they are landed?

Mr. SANDFORD. Yes.

The CHAIRMAN. What does the Conference do in that regard?

Mr. SANDFORD. The arrangements to through-book westbound third-class passengers have existed since 1897, and have been found salutary. There has been a complete extinction of the middle man and the scalper. A steamship company would not accept a passenger bound to an interior point unless he were through-booked to that point. It is an arrangement which has been highly praised, and we often confer with the Commissioner of Immigration about it. It has cured all the evils of scalping.

Mr. GARRETT. You mean, for instance, that if a person was coming from Italy, say, to Chicago or to Denver or to Memphis, Tenn., or

any point away from this port, that he would be required to have passage to that point of destination?

Mr. SANDFORD. If he declared that as his destination. There is a great simplification by that arrangement at Ellis Island or any other Government landing place, if the passengers who come in on the steamer have rail orders in their possession. It is a guaranty that the railroad will carry the passenger to that point.

The CHAIRMAN. Do the railroads pay a commission for such work?

Mr. SANDFORD. Yes.

The CHAIRMAN. To whom is that paid?

Mr. SANDFORD. To the individual steamship company when the accountings are cleared between them.

The CHAIRMAN. Does the Conference have anything to do with that?

Mr. SANDFORD. Nothing to do with the accountings.

The CHAIRMAN. Do they have anything to do with causing the railroads to make a considerable difference in rates between the members of the Conference and those people that are not members of the Conference?

Mr. SANDFORD. The rates are those published in the immigrant tariffs of the various railroads of the country. The rates are filed with the Interstate Commerce Commission.

The CHAIRMAN. Are those controlled by the Commissioner of Immigration.

Mr. SANDFORD. No.

The CHAIRMAN. They are just the separate rates that are made with the several railroad companies?

Mr. SANDFORD. A compilation known as the trunk line immigrant tariff exists, covering all rail business. The coastwise lines who engage in the same business publish their individual tariffs, because their rates are different.

The CHAIRMAN. Do you know Mr. William C. Moore?

Mr. SANDFORD. Yes.

The CHAIRMAN. What has he got to do in regard to the immigrants coming in here?

Mr. SANDFORD. The Moore Company conducts the transfer of immigrant passengers, who, in this port, must be transported to Ellis Island for examination.

The CHAIRMAN. Is that the same contract that Biglin had at one time?

Mr. SANDFORD. No; the Moore Company have transferred immigrants to Ellis Island or the existing Government landing place, so far as I know, continuously since 1873.

The CHAIRMAN. Have they any particular contract or agreement with the conference committee?

Mr. SANDFORD. The Moore Company have a contract with all of the steamship companies describing the performance which they are expected to conduct, with the rates for service, and which requires them to maintain their floating equipment at the highest efficiency, subject to the inspection of the United States authorities. It has been very satisfactory in all these years. Mr. Moore's company has never lost the life of a passenger, has never even injured a passenger.

The CHAIRMAN. Has the Moore Company or Mr. William C. Moore any contract with your conference?

Mr. SANDFORD. No. It is with the individual companies.

The CHAIRMAN. And there is the same rate for the transfer of passengers from one line as from another line?

Mr. SANDFORD. Yes.

The CHAIRMAN. As far as you know, does he ever make any difference if there is a line that is not a member of the conference?

Mr. SANDFORD. No.

The CHAIRMAN. Do you think the Uranium Line, of which Mr. Longworth spoke a moment ago, could get the same rates for the transfer of these immigrants to Ellis Island?

Mr. SANDFORD. I don't know. The question has never arisen.

The CHAIRMAN. It never has arisen at all?

Mr. SANDFORD. No.

Mr. GARRETT. Where are these passenger rates fixed?

Mr. SANDFORD. In Europe.

Mr. GARRETT. And the Mediterranean rates?

Mr. SANDFORD. The head offices of the companies are in Europe.

Mr. GARRETT. Is there a Conference in Europe?

Mr. SANDFORD. Yes.

Mr. GARRETT. Where does it meet?

Mr. SANDFORD. There is a Conference of the English lines in Liverpool; of the lines engaged in continental business in Germany, and I believe that there must be a committee of some sort of head offices in Italy.

Mr. GARRETT. Are those Conferences very similar to this Conference here?

Mr. SANDFORD. I am not familiar with that.

Mr. GARRETT. Do you know how that is?

Mr. SANDFORD. I do not.

Mr. GARRETT. You know in a general way something of those conferences, the purposes of them?

Mr. SANDFORD. They are entirely separate from the Conferences here.

Mr. GARRETT. There is no connection between the Conference here and the Conference there; are you not advised of what is done at the Conferences there?

Mr. SANDFORD. No.

Mr. GARRETT. Do you advise the Conference there of what is done at the Conference here?

Mr. SANDFORD. No.

Mr. GARRETT. Have you ever visited those Conferences there?

Mr. SANDFORD. No. I did attend a meeting of the Liverpool Conference several years ago for a short while, which was discussing some matters about American railroad business.

Mr. GARRETT. Freight business?

Mr. SANDFORD. American railroad passenger business.

Mr. GARRETT. What about the freight rates; are they fixed too? Say, for instance, from Chicago to Liverpool, are those freight rates fixed?

Mr. SANDFORD. No. That would be a dual transaction; a transaction between a shipper and an inland carrier, either of whom might apply to a steamship line who could serve in the matter. It would quote its current ocean rate, and upon that would be based the

through rate made up of those two parts. The steamship line quotes ocean rates only.

The CHAIRMAN. Is there never any Conference in connection with the rates for steerage passengers; does not that change constantly, and does not that come under the guidance of the Conference?

Mr. SANDFORD. Not here.

Mr. LONGWORTH. Where is the rate on the American line fixed?

Mr. SANDFORD. I suppose by the European offices of the American line, or the New York offices. They are right here.

Mr. GARRETT. Where did you say this Mediterranean Conference was held in Europe—what point in Europe?

Mr. SANDFORD. I am under the impression that there is probably a committee of the Mediterranean lines either at Naples or Genoa.

Mr. LONGWORTH. Is the American line a corporation by itself?

Mr. SANDFORD. I presume so.

Mr. LONGWORTH. It is not a part of the property of the International Mercantile Marine?

Mr. SANDFORD. I am not familiar with the organization.

Mr. LONGWORTH. I thought when you said that the rates were fixed by the European offices that that might mean that they were fixed by the offices of the Mercantile Marine, which controls vessels other than American vessels.

Mr. SANDFORD. That might be so.

Mr. LONGWORTH. You are an American citizen, are you not?

Mr. SANDFORD. Yes.

The CHAIRMAN. Do you know what the rate to-day is for steerage passengers from abroad?

Mr. SANDFORD. It varies by ships and ports.

The CHAIRMAN. I mean from New York.

Mr. SANDFORD. To what point?

The CHAIRMAN. We will say on the Hamburg-American Line.

Mr. SANDFORD. Coming to New York?

The CHAIRMAN. Say on the Hamburg-American Line, coming to New York; yes.

Mr. SANDFORD. I suppose their rates vary according to the ships. I do not keep the rates in my head. Probably about \$33.

The CHAIRMAN. As a matter of fact, if there is such a thing as an independent line that is outside of your Conference, are not the rates fixed by the several steamship lines members of your Conference, so as to keep business away from an independent line?

Mr. SANDFORD. No.

The CHAIRMAN. You know of nothing of that kind?

Mr. SANDFORD. I am satisfied that they do not.

The CHAIRMAN. You say you do not know what the Uranium Line is? I think you said that in answer to Mr. Longworth's question. I understood you to say that you did not know what the Uranium Steamship Company was.

Mr. SANDFORD. I was asked if I understood correctly the nationality of the ships.

Mr. LONGWORTH. No; I asked you first whether there was any other steamship company plying between this country and any continental port that was not a member of your Conference and you said no, and then I asked you if you knew of the Uranium Line, and I understood you to say you had never heard of it.

Mr. SANDFORD. Oh, I have heard of the Uranium Line.

Mr. LONGWORTH. But you know nothing about it?

Mr. SANDFORD. I said I knew nothing about it. It is a name used by a line operating three or four steamers, but I am quite sure it is not a regularly established line.

The CHAIRMAN. Do you mean that they do not have any steamers that go at regular stated times?

Mr. SANDFORD. I mean to say that I do not know by whom the ships are owned, or anything about them.

Mr. LONGWORTH. What do you define to be a regularly established line?

Mr. SANDFORD. A line which owns its own ships and maintains a service and carries out its undertakings.

Mr. LONGWORTH. It would not necessarily mean that vessels should sail at stated intervals?

Mr. SANDFORD. No.

Mr. LONGWORTH. Tramp steamers would be a regularly established line, could they not?

Mr. SANDFORD. I doubt it.

Mr. LONGWORTH. Is not the only distinction between a tramp steamer and a regular steamer the fact that a tramp steamer sails at irregular intervals?

Mr. SANDFORD. A tramp steamer goes wherever it chooses. A regular line maintains a service between specified points, whereas a tramp engages in any trade it sees fit, either passenger or freight business.

Mr. LONGWORTH. You state positively that there is no case where a steamer belonging to any member of your Conference that may have, for some reason, fixed rates so low that a given trip was made at a loss, where that loss was prorated among the members of the Conference?

Mr. SANDFORD. As far as the work that I have knowledge of is concerned, I can say that there is nothing of the sort.

Mr. LONGWORTH. And there never has been such a case?

Mr. SANDFORD. Never by the conference in America. I only speak of what I know.

Mr. LONGWORTH. I asked you if there had ever been a case where the loss was prorated among members of the Conference. I did not say necessarily through the Conference, but among the members of the Conference.

Mr. SANDFORD. I don't know. It has never been done to my knowledge.

Mr. LONGWORTH. Could you state positively that there never has been such a case?

Mr. SANDFORD. I don't know. I say so far as my knowledge goes, I think not. I don't know.

Mr. LONGWORTH. Would you, as secretary of the Conference, suppose that such a prorating had been made, necessarily know it?

Mr. SANDFORD. If any prorating had been made by the Conference I should certainly know it.

Mr. LONGWORTH. Now you are speaking of the official action of the Conference?

Mr. SANDFORD. Yes.

Mr. LONGWORTH. But you would not know it, if certain members of the Conference, perhaps not in the Conference office, agreed over the telephone, we will say?

Mr. SANDFORD. I would not know that.

Mr. LONGWORTH. You would not know of any such case that did not come as a part of the regular meetings set down in the minutes of the Conference?

Mr. SANDFORD. I would know if anything of that sort occurred. I never heard that it did, in the Conference.

Mr. LONGWORTH. My question was whether if a steamer belonging to a company which was a member of the Conference had, by reason of reducing rates for some purpose or other, made that trip at a loss; that that loss could be prorated among steamers belonging to other members of the Conference without your knowing it?

Mr. SANDFORD. It could; certainly.

Mr. LONGWORTH. It could be done?

Mr. SANDFORD. Surely.

Mr. GARRETT. Is there any other character of organization aside from these Conferences here, between the companies?

Mr. SANDFORD. No.

Mr. GARRETT. These are the only organizations they have in this country?

Mr. SANDFORD. Yes.

Mr. GARRETT. When these committees come together, do they discuss the matters of rates there?

Mr. SANDFORD. No.

Mr. GARRETT. Neither freight nor passenger?

Mr. SANDFORD. At times some of the groups of freight lines have endeavored to discuss rates, but only informally and without any binding force. Each line has its individual rates.

Mr. GARRETT. Well, there is not any binding force about anything they do, except so far as it is observed as a matter of honor, is there?

Mr. SANDFORD. Surely.

Mr. LONGWORTH. Are questions of pending legislation discussed in the Conference?

Mr. SANDFORD. You are speaking now of subsidy?

Mr. LONGWORTH. Any legislation affecting them.

Mr. SANDFORD. There has never been the slightest discussion or reference to subsidy legislation in the Conference.

The CHAIRMAN. To any legislation?

Mr. SANDFORD. Yes. Last year there was a discussion in the Freight Conference in regard to a bill of lading bill at Washington.

Mr. LONGWORTH. How about legislation relating to immigration?

Mr. SANDFORD. Immigration matters are limited in the Conference work purely to the relations which are maintained through the standing committee on immigration and navigation laws with the immigration officials of the Government.

Mr. LONGWORTH. You have, then, a committee which deals with questions of legislation?

Mr. SANDFORD. No; questions of law.

Mr. LONGWORTH. You mean the enforcement of the law?

Mr. SANDFORD. The enforcement of the law. But it was found convenient by Secretary Straus, of the Department of Commerce and

Labor, to communicate with one person or office, rather than to communicate with 26 odd steamship lines, and out of a meeting in the office of Secretary Straus several years ago has grown up a close association, both with the Bureau of Immigration at Washington and with the local Commissioners of Immigration, and in order to explain that work, I brought along the latest document which has been issued by the committee on immigration laws. It concerns section 12 of the act of 1907. Here is a copy of a communication which was sent out to all lines, which is an example of the clearing house purposes, for which the Conference is maintained. The Conference office, by the correspondence conducted by me with the Commissioner of Immigration at Ellis Island and the Commissioner General of Immigration at Washington, has developed a system for obtaining answers to certain questions on the part of all outgoing passengers, so that the department may maintain statistics of eastbound traffic. I was asked yesterday if any of the lines other than trans-Atlantic lines had applied for membership in the Conference. Here is a case where, while they are not members, yet many of them are interested; they have the full benefit of the information which our office so laboriously works up to simplify the adoption and enforcement of any particular regulation that the Government desires to have all carriers conduct.

The CHAIRMAN. You have a complete line of information in regard to the rates, both freight and passenger, have you not?

Mr. SANDFORD. Well, this is immigration.

The CHAIRMAN. I understand that; but I mean you also have complete information in regard to rates, both freight and passenger, have you not?

Mr. SANDFORD. No, not complete. The freight rates fluctuate daily. I explained that the steamship companies, as a matter of convenience, send passenger circulars to the Conference office. They are public circulars. They are for the benefit of those who desire to make use of them and keep informed.

The CHAIRMAN. But the Secretary of Commerce and Labor must certainly desire to keep himself advised in regard to what the rates are, both passenger and freight. Now, does he have to communicate with the 26 different steamship lines which are members of your Conference, or does he communicate with you?

Mr. SANDFORD. I do not think he maintains those figures.

Mr. LONGWORTH. What is the meaning of the expression "progress" [indicating]?

Mr. SANDFORD. Simply "one of many." There are five files on that one subject. The correspondence in regard to this question has been going on periodically ever since the law of 1907 was passed.

The CHAIRMAN. How many standing committees have you in this Conference?

Mr. SANDFORD. A standing committee on immigration and navigation laws; a standing committee on customs; two standing committees on railroad matters. Those are passenger committees. There is one standing committee on freight, the executive committee of the Trans-Atlantic Associated Freight Conferences.

The CHAIRMAN. You have not any standing committee on rates?

Mr. SANDFORD. No.

The CHAIRMAN. Do I understand you correctly to say that this Conference has absolutely nothing whatever to do with the rates for either passenger or freight in any of the trans-Atlantic business?

Mr. SANDFORD. That is correct.

Mr. HAWLEY. Do the lines exchange circulars of rates between themselves?

Mr. SANDFORD. No; it is unnecessary, because of the system which the Conference maintains.

The CHAIRMAN. In other words, the steamship companies send you a schedule of rates from day to day?

Mr. SANDFORD. No; the steamship companies send to the Conference office a small supply of each of the passenger circulars they issue for public information.

The CHAIRMAN. In regard to rates?

Mr. SANDFORD. In regard to rates.

The CHAIRMAN. And you distribute those to the other members of the Conference?

Mr. SANDFORD. Yes.

The CHAIRMAN. But you have not any committee that takes into consideration the question of rates as to what they shall be?

Mr. SANDFORD. No.

The CHAIRMAN. And that does not in any way enter into any of your councils, whether you call it an executive committee or a standing committee?

Mr. SANDFORD. No.

Mr. HAWLEY. Is a memorandum made of every action taken in the Conference?

Mr. SANDFORD. A memorandum of some kind is made.

Mr. HAWLEY. Of every action?

Mr. SANDFORD. Yes.

Mr. HAWLEY. If the members of the Conference should informally discuss the question of rates, that must appear in the minutes?

Mr. SANDFORD. It would, if such a discussion occurred.

Mr. LONGWORTH. Is there a stenographer to report your discussions?

Mr. SANDFORD. Not ordinarily.

The CHAIRMAN. A good many of those discussions take place by correspondence?

Mr. SANDFORD. Yes; and by telephone.

The CHAIRMAN. Yes. I judge by these papers you submit here that it is frequently a question of a few people getting together and making a decision as to what they will do, and then you send out these circulars to the several members of the Conference, and you tell them, by a statement I see in one of these exhibits, that if they do not answer pretty soon it will be considered that they have approved and confirmed.

Mr. SANDFORD. Yes.

The CHAIRMAN. That is practically the modus operandi?

Mr. SANDFORD. That was it on a minor question, because the procedure provides that no line shall be bound by any action which does not meet with its approval. Action must be unanimous. You are referring to a routine appointment of an agent, are you not?

The CHAIRMAN. I do not remember. I saw something of that id in here.

Mr. HAWLEY. These are the rules of 1905 and 1906. Are they the same to-day as they were then?

Mr. SANDFORD. Yes.

Mr. HAWLEY. There has been no change?

Mr. SANDFORD. No.

Mr. GARRETT. You have filed the rules of the South American Conference?

Mr. SANDFORD. The conferences with which I am connected are purely trans-Atlantic.

Mr. GARRETT. You are not connected with the South American Conference in any way?

Mr. SANDFORD. No. The only communication I might have with a line other than the trans-Atlantic lines would be on a routine matter. They might call up in connection with some Government request, for instance, this present matter of manifests of outgoing citizens and aliens, all the steamship companies plying in foreign commerce are waiting the conclusion of the development of the form and method, which has now practically been reached.

Mr. LONGWORTH. Who is present at meetings of the Conference?

Mr. SANDFORD. This is indicative [indicating]. This is a meeting of the Mediterranean Conference.

Mr. LONGWORTH. I mean only agents of the lines.

Mr. SANDFORD. Agents or the manager of the department concerned in the question.

Mr. LONGWORTH. And yourself?

Mr. SANDFORD. Yes.

Mr. LONGWORTH. Are there ever any attorneys in attendance?

Mr. SANDFORD. No; the Conference has no attorney.

Mr. LONGWORTH. Are there ever any attorneys of the lines in attendance at meetings of the Conference?

Mr. SANDFORD. No. We did submit to counsel two years ago a request for an opinion on the matter of the rules which you see before you. That is the only occasion when we have had to consult counsel.

Mr. HAWLEY. Why did you submit that?

Mr. SANDFORD. We wanted to be certain that the rules were quite satisfactory and reasonable in all respects.

The CHAIRMAN. They wanted to find out whether they interfered with the interstate-commerce law?

Mr. SANDFORD. We wanted to be sure that they did not.

Mr. LONGWORTH. Then, as I understand you, there never is present at the meetings of the Conference anyone except yourself and the representatives of the lines, the executive representatives of the lines?

Mr. SANDFORD. Sometimes there are railroad representatives present, or at times Government representatives, if the matter to be considered is needing elucidation from some one else.

Mr. HAWLEY. Are reporters ever present?

Mr. SANDFORD. No.

Mr. LONGWORTH. What Government official has been present, for instance?

Mr. SANDFORD. The last occasion was a representative from Commissioner Williams, a man who was deputized by him to see me in regard to the development of the regulations in regard to outgoing aliens and citizens. Have I made it plain that the matter of form

of the Conference procedure is voluntary, and that as time has gone on, with the firm establishment of the basic rules for the conduct of agencies and the better conduct of the business in the interests of the traveling public and all concerned, the work has become almost routine, and that the Conference is practically only a clearing house now for the general questions which come up?

Mr. HAWLEY. Suppose action should be taken by the Conference, and it was desirable to communicate that action to some members of the Conference that were not present when the action was taken, would that be communicated to them as an act of the Conference or as an individual act?

Mr. SANDFORD. That would be communicated as the consensus of opinion of those who were present, and the views of absentees would be requested.

Mr. HAWLEY. And this resolution No. 5, of February 11, 1910, "that in any case where it is necessary to communicate Conference or individual action to anyone whatsoever, it shall be done as an individual communication or instruction, and no reference shall be made to Conference action," does not apply?

Mr. SANDFORD. No. As I endeavored to explain, it was merely to arrange that proceedings of the lines shall not be imparted to persons who have no business to know about them. Here is an example: At the time when there were reports of cholera in Italy communications were at once had with Dr. Doty, the health officer of the port, and with Dr. Wyman, the Surgeon-General of the Marine-Hospital Service, to ask whether the Conference could be of any service in promulgating any information which the authorities wished to send to all lines, and promptly upon hearing from Dr. Doty and his desires a meeting was convened. There were 18 lines in attendance, and that night a copy of their conclusions was communicated to all the lines who could not be present, and they agreed to it and prompt action was taken. The action taken at that time was praised by Dr. Doty and Dr. Wyman.

Mr. HAWLEY. You handed us some papers which I understand are extracts from your minutes [referring to Exhibit 138].

The first one I look at is August 2, 1910, which appears to be a communication from you to the Mediterranean lines. One of the headings is "Changes in rates." (Reading:)

Anchor Line notify that they will advance prepaid (west bound) third-class rates, basis Naples, from \$33.50 to \$34.50.

Fabre Line notify that they have increased their prepaid (west bound) third-class rates from Naples, Genoa, Palermo, and Messina from \$35.50 to \$36.50.

Hamburg-American Line notify advance of their Mediterranean prepaid (west bound) third-class rates, basis Naples, as follows, etc.

National Greek Line issue circular (No. 7) July 30.

They also give you a notice of change of rates.

Your letter of August 4, directed to all of the members of the Conference of the Mediterranean lines, also had a long heading in regard to changes in rates. The same thing is true as to this one dated August 8, 1910; the same is true as to August 12, 1910; the same is true as to this one dated August 19, 1910; the same is true as to this one dated August 24, 1910. In fact, I have not yet found

" of these papers that does not say something about rates. Now,

do I understand you correctly to say that the Conference has got nothing to do with rates?

Mr. SANDFORD. Absolutely nothing to do with them. Those are the individual rates I picked out from the circulars, and simply sent out as routine, as a matter of general information.

Mr. HAWLEY. Was that, then, only a report of the action of the Conference?

Mr. SANDFORD. That was a memorandum from the secretary to the lines.

Mr. HAWLEY. These are not, then, the minutes of your Conference?

Mr. SANDFORD. No; but those are all the matters which have been communicated in any form.

Mr. HAWLEY. We are very desirous of getting the minutes of the Conference.

Mr. SANDFORD. There have been no meetings of the Mediterranean Conference since February 10, 1910.

Mr. LONGWORTH. Did I understand you correctly to say that the minutes were kept as a permanent record on stubs?

Mr. SANDFORD. The minutes are kept in this form on a stub file.

Mr. HAWLEY. And there are no minutes saying that such and such a thing was adopted; you have no minutes which read in the usual form, that on motion such a thing was agreed to?

Mr. SANDFORD. Yes; we say sometimes whereas, whereas, whereas, resolved.

Mr. LONGWORTH. Have you the complete set of minutes for every meeting for the year 1909?

Mr. SANDFORD. Yes.

Mr. LONGWORTH. Have you any objection to bringing them here?

Mr. SANDFORD. I have them here.

Mr. LONGWORTH. That is the complete set and the account of every meeting the Conference has had?

Mr. SANDFORD. I explained that on account of the solid foundation of the rules for the conduct of the passenger business the output now is meager.

Mr. LONGWORTH. But what I want to know is, do these papers you have with you to-day represent all minutes that were taken of every meeting of your conference during 1909?

Mr. SANDFORD. Yes; the major work of the Conference to-day is in connection with the promulgation of routine communications which do not require any action, or in the development of the various steps which are in negotiation with the authorities, railroads, etc.

Mr. LONGWORTH. How many meetings did the Conference hold during the year 1909?

Mr. SANDFORD. There were seven meetings of the Continental and North Atlantic Conferences in 1909.

Mr. LONGWORTH. And how many of the others?

Mr. SANDFORD. There were probably about four meetings of the Mediterranean Conference, and of the Freight Conference there were probably the same number.

Mr. LONGWORTH. When you say "meeting" in that connection, you mean a regularly called meeting?

Mr. SANDFORD. A regularly called meeting.

Mr. LONGWORTH. Are there any other actions where members of the Conference appear in the office?

Mr. SANDFORD. In their committee work.

Mr. LONGWORTH. And a record is kept of that action?

Mr. SANDFORD. A regular record is maintained.

Mr. LONGWORTH. By yourself or by the members of the committee?

Mr. SANDFORD. By me.

Mr. GARRETT. You seem to have a standing committee on navigation laws.

Mr. SANDFORD. Immigration.

Mr. GARRETT. Immigration and navigation laws. Has that committee ever made any recommendations as to the navigation laws?

Mr. SANDFORD. No. The committee confer as necessary with lines who are in doubt about the laws, or with the authorities when they wish to apply an interpretation or a new regulation.

Mr. GARRETT. Has it any policy that it is interested in having Congress act on?

Mr. SANDFORD. None whatever.

The CHAIRMAN. What do you mean by this rule No. 9:

Agents are prohibited from booking passengers for any steamer except those of the line's members of the Continental, the Mediterranean, and the North Atlantic Passenger Conferences unless Conference gives express permission in writing. Agents are prohibited from selling passage tickets under false representations as to the line or the route by which the passenger is to be transported.

Why should you prohibit your agents from booking passengers any way the people want to go unless the Conference gives permission? I refer to the first part of rule 9.

Mr. SANDFORD. "Unless Conference gives express permission in writing" was added because when the Canadian Pacific Railway established an Atlantic steamship service they did not join the conference and were not members for some time, whereupon a circular was sent out that despite the fact that the Canadian Pacific was not a member of the Conference, agents should by all means, if they chose, represent the Canadian Pacific, because it was an established institution. On the other hand, the older phase of the rule was caused by the necessity to require agents to book for lines that could carry out their promises as to transportation. In the earlier days of the business tramps were sometimes employed for passenger business, and it was not deemed wise that agents who were intrusted with the tickets of established lines should be inveigled by advertising or other promises to book passengers when nine times out of ten there was no performance. The lines feel that they should determine, each individual line feels that if it gives its agency to a man for third-class business, who is usually of the nationality of the passengers whom he is accustomed to book, that line's reputation hinges upon the proper conduct of the business done by that agent, and while any agent may select what lines he chooses to represent, the lines are careful to intrust their tickets only to agents who will be able to conduct a business that will be satisfactory.

The CHAIRMAN. But does not that rule mean, if it means anything at all, that no agents can book passengers for any steamer except those that are members of the Conference?

Mr. SANDFORD. It is a plain statement.

The CHAIRMAN. So if there are any steamship lines that are not members of the Conference, this precludes positively their selling any tickets?

Mr. SANDFORD. But it was stated several times that no line that has applied for membership in the Conference has been refused membership.

The CHAIRMAN. But suppose they do not want to become members of the Conference; is there any reason why they should be excluded from that?

Mr. SANDFORD. Is there any reason why a new line that starts should be able to come in and take the agents that have been trained by years of experience—

The CHAIRMAN. What arrangement does the Conference make with the various railroad lines?

Mr. SANDFORD. The arrangements in respect to passenger business are based upon the foundation that there shall be eliminated all middle men, scalpers, and demoralization; that a man seeking to engage passage from a point in the interior of Europe to the interior of America, or vice versa, through a person employed as the agent, and who is held to these strict rules, may be sure that he will obtain the transportation that he wants, and that he will have the benefit of the published tariff rates of the carriers along the route.

Mr. LONGWORTH. In the case of freight rates, who fixed the through rate, for instance, from a port in England to a town in Iowa or some other interior point?

Mr. SANDFORD. That would be done very often by a forwarding agent, who would apply to the several carriers along the route to obtain a combination of the rates, and quote them to the person who wished to ship the freight.

Mr. LONGWORTH. Suppose, for instance, that a Cunard steamer carried goods to New York and delivered those goods to the Pennsylvania Railroad in New York, and they were forwarded on the Pennsylvania to a point in Iowa, where would that joint rate be fixed?

Mr. SANDFORD. There would be no joint rate. The steamship line maintains its own rate, separate and apart from any question of connecting rates. The steamship line would quote the rate of passage or freight for its own transportation on its own ships, and not beyond. It has nothing to do with the fixing or making or construction of a rate that may be used in conjunction with its own published rate to permit and facilitate business, which is so often required, particularly by a small shipper, when he may obtain, without undue trouble, an approximation of the cost of transporting some shipment of freight from any part of the world to any other part of the world.

Mr. LONGWORTH. For instance, take the rate on pottery from Liverpool to some interior point in the United States. Is the rate on pottery the same from Liverpool to New York, regardless of where it will be carried after it reaches New York?

Mr. SANDFORD. I am not familiar with west-bound rates at all.

Mr. LONGWORTH. But you just said that there never was a joint rate of any kind; that the steamer fixed its rate, regardless of what the rate was on the railroad, or regardless of where the freight was destined.

Mr. SANDFORD. You misunderstood me. The steamship quotes ocean rates only.

Mr. LONGWORTH. That is what I mean. You mean to say that necessarily the rate on pottery from Liverpool to New York is the

same, regardless of where that pottery is to be delivered after reaching New York?

Mr. SANDFORD. I presume the ocean rate would be identical for all shippers; yes.

Mr. LONGWORTH. Do you state that as a fact?

Mr. SANDFORD. I only presume; I am not familiar with the subject of west-bound rates.

Mr. HAWLEY. You know of no exception to that?

Mr. SANDFORD. I am not familiar with west-bound rates.

Mr. HAWLEY. I asked if you know of any exception to that.

Mr. SANDFORD. I know the general practice of the steamship companies is to quote their own rates.

Mr. HAWLEY. And you know of no case where the rate quoted across the ocean has been different when the destination inland has been different?

Mr. LONGWORTH. That was my question.

Mr. SANDFORD. The Conference has nothing to do with rates, and I am therefore not competent to go into that discussion.

Mr. GARRETT. I have heard the statement that an assignment of crockery can be shipped from Germany to Denver, Colo., cheaper than a similar shipment can be sent from Pittsburg to Denver.

Mr. SANDFORD. I don't know anything about the question of west-bound rates.

Mr. HAWLEY. You know of no instance where goods shipped, for instance, from any point in England to some point in Iowa, so far as the ocean rate is concerned, differed from a similar shipment from a point in England to a point in Indiana?

Mr. SANDFORD. I am sorry, but I do not feel competent to say.

Mr. HAWLEY. Well, that was not the question. Do you know of any such instance?

Mr. SANDFORD. No; I am not familiar with the subject at all.

Mr. LONGWORTH. But you say the railroads appear sometimes in your Conferences. Do they ever discuss that question?

Mr. SANDFORD. No; the appearance of railroads in the Conference on freight matters would concern a question of a receipt or a document like a bill of lading or questions of demurrage or storage or lighterage of freight; and if in connection with the passenger business, purely in regard to those things which must be done to maintain the relative positions of the steamship lines and the rail lines in their published tariffs.

Mr. GARRETT. Do you know whether, through this Conference or otherwise, any steamship companies have divided the United States into zones of trade?

Mr. SANDFORD. I do not know.

Mr. GARRETT. You have no information about that?

Mr. SANDFORD. No.

Mr. GARRETT. They virtually control, do they not, the port of shipment?

Mr. SANDFORD. The steamship lines?

Mr. GARRETT. Yes.

Mr. SANDFORD. I am sorry, but I am not competent to answer.

Mr. GARRETT. Would a shipper from St. Louis, for instance, have anything to say as to what port his shipment should go through?

Mr. SANDFORD. Westbound?

Mr. GARRETT. Eastbound or westbound.

Mr. SANDFORD. I do not know. I think the shipper would determine that. If I were a shipper I think I could route my traffic to suit my convenience.

Mr. HAWLEY. There is no action taken by the Conference of the steamship lines that you know of that would compel that freight to be routed through a given port?

Mr. SANDFORD. No.

Mr. LONGWORTH. Is there any arrangement by which a member of the Conference can be fined for doing or not doing something?

Mr. SANDFORD. None whatever.

The CHAIRMAN. Are these rules affecting the Mediterranean Conference practically the same as for the others?

Mr. SANDFORD. The rules are identical for the passenger business.

The CHAIRMAN. How about freight?

Mr. SANDFORD. Of course the subject is entirely different. The freight papers which I have given you explain that.

Mr. HAWLEY. If railroad representatives appear before your Conference, do the minutes show such appearance?

Mr. SANDFORD. Oh, yes.

Mr. HAWLEY. And show what action was taken?

Mr. SANDFORD. Everything.

Mr. HAWLEY. After the formal action of the Conference has been had and the members still remain, do they then take unofficial action or discuss matters among themselves?

Mr. SANDFORD. No; the Conference work is very informal, as you can see from reading the organization and membership proceedings.

Mr. HAWLEY. You act as secretary of the Conference and take notes?

Mr. SANDFORD. Yes.

Mr. HAWLEY. And from the notes you take, you prepare these circulars?

Mr. SANDFORD. Yes.

Mr. HAWLEY. You do not enter your notes in permanent book form for reference?

Mr. SANDFORD. No.

Mr. HAWLEY. How is it determined by the Conference whether the notes you have taken and the circulars you prepare upon them are in accord with the action of the Conference?

Mr. SANDFORD. The proceedings are submitted for confirmation, and after the several lines interested have signified their confirmation, the final form is prepared.

Mr. GARRETT. I did not clearly understand an answer you made a few moments ago to a question of Mr. Hawley in regard to resolution or rule No. 5. That rule reads:

That the members of this Conference undertake to consider and maintain all questions and actions that may be considered or adopted in connection herewith as sacred and confidential in the highest degree, and that in any case where it is necessary to communicate conference or individual action to anyone whatsoever, it shall be done as an individual communication or instruction, and no reference shall be made to Conference action.

Just why did you say that was——

Mr. SANDFORD. Reading the second paragraph, it was explained that it was not the desire of the lines that their subagents should

know of the Conference procedure, that it was not necessary. The minute was framed to simply provide that the members of the Conference should not communicate the proceedings of the Conference to booking agents.

Mr. GARRETT. It says "in any case where it is necessary to communicate conference or individual action to anyone whatsoever." Why didn't it just confine it to agents, if that was the sole reason for it?

Mr. SANDFORD. We wished to make it very strong. In the city of Boston there is an Italian agent, who, besides representing a number of lines as subagent, also serves as general passenger agent at Boston for one or two others; and there was no reason why he, in his dual capacity, should have conference information when the other sub-agents in Boston did not.

Mr. GARRETT. Has that rule ever been applied with reference to any other matter except agents?

Mr. SANDFORD. Agents.

Mr. GARRETT. That and that only?

Mr. SANDFORD. That only.

Mr. HAWLEY. It does not apply in any tentative communication you may have with the absent representatives of the lines?

Mr. SANDFORD. No; the records of the Conference are entirely open.

Mr. LONGWORTH. I understood you to say yesterday that you were treasurer as well as secretary of the Conference.

Mr. SANDFORD. Whatever treasurer duties have to be performed, I take care of.

Mr. LONGWORTH. Would you object to stating to the committee what the annual receipts of the Conference are?

Mr. SANDFORD. I have no objection.

Mr. HAWLEY. I was going to ask some questions on that.

Mr. LONGWORTH. Go ahead.

Mr. HAWLEY. From a statement which you have handed me, the total disbursements for the calendar year ended December 31, 1909, were \$16,271.04 on behalf of the Continental Conference, the Mediterranean Conference, and the North Atlantic Passenger Conference.

Mr. SANDFORD. The entire establishment.

Mr. HAWLEY. And that is the total amount collected for the use of these three Conferences?

Mr. SANDFORD. Four Conferences.

Mr. HAWLEY. It includes the Freight Conference also?

Mr. SANDFORD. The total cost for all purposes, for the maintenance of the Conference and the work of the office, in the year 1909 was \$16,271.04. In the previous year, 1908, the total was \$14,592.82.

Mr. HAWLEY. Who audits your accounts?

Mr. SANDFORD. The managing committee.

Mr. HAWLEY. Whose names you gave a while ago?

Mr. SANDFORD. Yes.

Mr. HAWLEY. Does this managing committee have the expenditure on its own account of any sum of money?

Mr. SANDFORD. No.

Mr. HAWLEY. No sum of money is contributed by the lines to be disposed of by this managing committee in its discretion?

Mr. SANDFORD. No. It is the total sum collected by the lines for conference work—

Mr. HAWLEY. My question is broader than that. Do the lines contribute to the managing committee any sum of money to be used in its discretion?

Mr. SANDFORD. None whatever.

Mr. HAWLEY. Do the lines contribute to any committee appointed by the lines a sum of money to be used in its discretion?

Mr. SANDFORD. No; none whatever.

Mr. HAWLEY. This is the only fund of money whatever that you know of that is raised by the Conference?

Mr. SANDFORD. That is absolutely the only fund.

Mr. HAWLEY. The detail of the expenditures for the general offices are not given here, I see.

Mr. SANDFORD. I could give them.

Mr. HAWLEY. Under the title "General office" these expenses include the salaries of yourself and stenographers and rent and light and heat and items of that character?

Mr. SANDFORD. Every item.

Mr. HAWLEY. And items of no other character except those connected with office work?

Mr. SANDFORD. Only those items.

Mr. HAWLEY. Does this managing committee have power or any formal authority of any nature whatsoever to request from the lines sums of money to be used—

Mr. SANDFORD. No; they have no power.

Mr. HAWLEY. Have they ever informally requested the various lines to contribute sums of money for anything outside of this? 11

Mr. SANDFORD. No; only for the maintenance of the office.

Mr. HAWLEY. For no other purpose of any character?

Mr. SANDFORD. No.

The CHAIRMAN. The Conference has never maintained lobbies down at Washington?

Mr. SANDFORD. No.

(Whereupon, at 4 p. m. the committee adjourned until to-morrow, Friday, December 2, 1910, at 11 a. m.)

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